UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number 001-33811

Navios Maritime Partners L.P.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's Name into English)

Republic of Marshall Islands

(Jurisdiction of incorporation or organization)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Units	NMM	New York Stock Exchange LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act. None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 30,184,388 Common Units

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such reporting requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. :

Large Accelerated Filer ☐ Accelerated Filer ☒ Non-Accelerated Filer ☐ Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15

U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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FORWARD-LOOKING STATEMENTS

This Annual Report should be read in conjunction with the consolidated financial statements and accompanying notes included in this report.

Statements included in this annual report which are not historical facts (including our statements concerning plans and objectives of management for future operations or economic performance, or assumptions related thereto) are forward-looking statements. In addition, we and our representatives may from time to time make other oral or written statements which are also forward-looking statements. Such statements include, in particular, statements about our plans, strategies, business prospects, changes and trends in our business, and the markets in which we operate as described in this annual report. In some cases, you can identify the forward-looking statements by the use of words such as "may," "could," "should," "would," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue" or the negative of these terms or other comparable terminology.

Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- our ability to pay quarterly cash distributions on our common units;
- our future financial condition or results of operations and our future revenues and expenses;
- future levels of operating surplus and levels of distributions, as well as our future cash distribution policy;
- our current and future business and growth strategies and other plans and objectives for future operations;
- our ability to take delivery of, integrate into our fleet, and employ additional vessels, whether secondhand, or any newbuildings we may order in the future;
- future charter hire rates and vessel values;
- the repayment of debt;
- our ability to access debt and equity markets;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- future supply of, and demand for, liquid and dry cargo commodities;
- volatility in interest rates, including Secured Overnight Financing Rate ("SOFR");
- our ability to maintain long-term relationships with major commodity traders, oil majors, operators and liner companies;
- our ability to leverage the scale, experience, reputation and relationships of our managers, namely Navios Shipmanagement Inc. (the "Manager"), and Navios Tankers Management Inc. ("Tankers Manager" and together with the Manager, the "Managers") and our affiliates, including Navios Maritime Holdings Inc. ("Navios Holdings");
- our continued ability to enter into long-term, fixed-rate time charters;
- our ability to maximize the use of our vessels, including the re-deployment or disposition of vessels no longer under long-term time charters;
- timely purchases and deliveries of newbuilding vessels;
- future purchase prices of newbuildings and secondhand vessels;
- our ability to compete successfully for future chartering and newbuilding opportunities;
- our future financial condition or results of operations and our future revenues and expenses, including revenues from any profit sharing arrangements, and required levels of reserves;
- potential liability and costs due to environmental, safety and other incidents involving our vessels;
- our track record, and past and future performance, in safety, environmental and regulatory matters;
- our anticipated incremental general and administrative expenses as a publicly traded limited partnership and our expenses under the management agreements, (the "Management Agreements") with the Managers and the administrative services agreement (the "Administrative Services Agreement") with the Manager and for reimbursements for fees and costs of our general partner;

- estimated future maintenance and replacement capital expenditures;
- future sales of our common units in the public market;
- the cyclical nature of the international shipping industry;
- fluctuations in charter rates for tanker vessels, dry bulk carriers and containerships ("Dry Cargo");
- the number of newbuildings currently under construction;
- changes in the market values of our vessels and the vessels for which we have purchase options;
- an inability to expand relationships with existing customers and obtain new customers;
- the loss of any customer or charter or vessel;
- the aging of our fleet and resultant increases in operations costs;
- damage to our vessels;
- global economic outlook and growth and changes in general economic and business conditions;
- domestic and international political conditions, including wars, pandemics, terrorism and piracy;
- public health threats;
- increases in costs and expenses, including but not limited to: crew wages, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses;
- the adequacy of our insurance arrangements and our ability to obtain insurance and required certifications;
- the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business;
- the changes to the regulatory requirements applicable to the shipping industry, including, without limitation, stricter requirements adopted by international organizations, such as the International Maritime Organization (the "IMO") and the European Union (sometimes referred to as "EU"), or by individual countries or charterers and actions taken by regulatory authorities and governing such areas as safety and environmental compliance;
- the anticipated taxation of our partnership and our unitholders;
- expected demand in the shipping sectors in which we operate in general and the demand for our Drybulk, Container and Tanker vessels in particular;
- our ability to retain key executive officers;
- customers' increasing emphasis on environmental and safety concerns;
- changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors; and
- other factors detailed from time to time in our periodic reports filed with the U.S. Securities and Exchange Commission (the "SEC").

These and other forward-looking statements are made based upon management's current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties, including those set forth below, as well as those risks discussed in "Item 3. Key Information".

The risks and assumptions are inherently subject to significant uncertainties and contingencies, many of which are beyond our control and many of which have been and many further be, exacerbated by the Ukrainian/Russian and Israeli/Gaza conflicts, the attacks in the Red Sea and in the Gulf of Aden and the impact they have had on the global economy. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict all of these factors. Further, we cannot assess the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to be materially different from those contained in any forward-looking statement.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not Applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and indebtedness.

Not applicable.

C. Reasons for the offer and use of proceeds.

Not applicable.

D. Risk factors

The following summarizes certain risks that may materially affect our business, financial condition or results of operations. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results or the trading price of our securities.

Summary of Risk Factors

Risks Relating to Our Business and our Industry

- *Our growth depends on continued growth in demand for dry bulk commodities, liquid cargo, finished or semi-finished goods, and the shipping of drybulk cargoes, containers as well as crude oil, petroleum products and other liquid cargoes.*

- *The cyclical nature of the international shipping industry may lead to decreases in charter rates and lower vessel values. Charter hire rates have significantly declined from historically high levels recently, are volatile and may remain depressed or reach low levels or decrease in the future, which may adversely affect our earnings, revenue, profitability and ability to pay distributions.*

- *A decrease in the level of China's imports of raw materials, exports of goods, or a decrease in trade globally could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.*

- *Any decrease in shipments of crude oil from the Arabian Gulf or the Atlantic basin may adversely affect our financial performance.*

- *Increasing energy self-sufficiency in the United States could lead to a decrease in imports of oil to that country, which to date has been one of the largest importers of oil worldwide.*

- *An increase in trade protectionism and the unraveling of multilateral trade agreements could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.*

- *While we favor longer term charters for all the tanker, dry bulk and container vessels we own or control, we may from time to time have to rely on chartering our vessels in the spot market either because our charter ended during a period of weak demand or we need to reposition a vessel out of a geographically or seasonally disadvantaged position. Additionally some of the longer term charters we have are indexed to spot rates. Spot market rates for tanker, dry bulk and container vessels are highly volatile and may decrease in the future, which may materially adversely affect our earnings in the event that our vessels are chartered in the spot market or those that may be chartered under index linked charters.*

- *Our growth depends on our ability to expand relationships with existing customers, obtain new customers and enter new shipping sectors, for which we will face substantial competition from new entrants and established companies with significant resources.*

- *We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.*

- *Delays in deliveries of secondhand or newbuilding vessels, cancellations or non-completion of deliveries could harm our business, financial condition and results of operations.*

- *The loss of a customer, charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.*

- *The aging of our vessels may result in increased operating costs in the future, which could adversely affect our earnings.*

- *A number of third party owners have ordered so-called "eco-type" vessel designs or have retrofitted scrubbers to remove sulfur from exhaust gases, which may offer substantial bunker cost savings as compared to older designs or vessels without exhaust gas scrubbers. Increased demand for and supply of "eco-type" or scrubber retrofitted vessels could reduce demand for our vessels that are not classified as such and expose us to lower vessel utilization and/or decreased charter rates.*

- *As of January 2024, all passenger and commercial cargo vessels over 5,000 gross tons entering or trading within the European Union (EU) and the European Economic Area (EEA) will have to comply with provisions of the EU Emissions Trading System (ETS). In 2025, allowances for 40% of the 2024-emissions in the EU and EEA will have to be surrendered. As owners we are by default the responsible entity, and have to ensure that allowances are surrendered. This means that we have to either receive allowances from charterers or purchase and use EU ETS emissions allowances for the CO2 emitted during voyages within and during voyages that enter and exit the EU / EEA. We may be subject to penalties, fines or other consequences if we do not surrender sufficient ETS emissions allowances for any one particular year.*

- *Our vessels may suffer damage or unexpected drydocking costs or be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.*

- *The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our financing arrangements, resulting in the foreclosure of certain of our vessels, limit the amount of funds that we can borrow and adversely affect our ability to purchase new vessels and our operating results. Depressed vessel values could also cause us to incur impairment charges. If vessel values are low at a time when we are attempting to dispose of a vessel, we could incur a loss.*

- *We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less or no cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted.*

- *We may be subject to litigation that, if not resolved in our favor or not sufficiently insured against, could have a material adverse effect on us.*

- *Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses thereby increasing expenses and reducing income.*

- *Security breaches and disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could have a material adverse effect on our business, financial condition, cash flows and results of operations.*

- *We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.*

- *Our growth depends on continued growth in demand for crude oil, refined petroleum products (clean and dirty) and bulk liquid chemicals and the continued demand for seaborne transportation of such cargoes.*

- *We conduct a substantial amount of business in China. The legal system in China has inherent uncertainties that could limit the legal protections available to us and could have a material adverse impact on our business, results of operations, financial condition and cash flows.*

- *An oversupply of vessel capacity may depress charter rates, which may affect our ability to operate our vessels profitably.*

- *Fuel price fluctuations may have an adverse effect on our profits.*

- *We are subject to various laws, regulations, and international conventions, particularly environmental and safety laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities, including any resulting from a spill or other environmental incident.*

- *Climate change and government laws and regulations related to climate change could negatively impact our financial condition.*

- *We are subject to vessel security regulations and we incur costs to comply with adopted regulations. We may be subject to costs to comply with similar regulations that may be adopted in the future in response to terrorism.*

- *Changing laws and evolving reporting requirements could have an adverse effect on our business, including the Environmental, Social and Governance ("ESG") disclosure rules in the U.S. and European Union.*

- *Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the EU, the UK and other jurisdictions/authorities.*

- *We could be materially adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and anti-corruption laws in other applicable jurisdictions.*

- *The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business.*

- *Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flow.*

- *The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.*

- *A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.*

- *Disruptions in global financial markets, terrorist attacks, regional armed conflicts, general political unrest, economic crisis, the emergence of a pandemic crisis and the resulting governmental action could have a material adverse impact on our results of operations, financial condition and cash flows.*

- *Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.*

Risks Relating to Our Indebtedness

- *We may be unable to obtain additional financing and our debt levels may limit our ability to do so and pursue other business opportunities, and our interest rates under our financing arrangements may fluctuate and may impact our operations.*

- *We are exposed to volatility in interest rates, including SOFR.*

- *Our credit facilities and certain financial liabilities contain restrictive covenants, which may limit our business and financing activities and may prevent us from paying distributions to unitholders, if our board of directors determines to do so again in the future.*

Risks Relating to Our Units

- *Our board of directors may not declare cash distributions in the foreseeable future.*

- *Any dividend payments on our common units would be declared in U.S. dollars, and any unit holder whose principal currency is not the U.S. dollar would be subject to risks of exchange rate fluctuations.*

- *The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions.*

- *The price of our common units may be volatile.*

- *Increases in interest rates may cause the market price of our common units to decline.*

- *Substantial future issuance and sale of our common units in the public market, including through our continuous offering sales program, could cause the price of our common units to fall, and would dilute your ownership interests.*

- *Unitholders may be liable for repayment of distributions.*

- *Common unitholders have limited voting rights and our partnership agreement restricts the voting rights of common unitholders owning more than 4.9% of our common units.*

Risks Relating to Our Organizational Structure, Taxes and Other Legal Matters

- *Navios Holdings and their affiliates may compete with us.*
- *We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make distributions.*
- *We depend on the Managers to assist us in operating and expanding our business.*
- *The loss of key members of our senior management team could disrupt the management of our business.*
- *The Managers may be unable to attract and retain qualified, skilled employees or crew necessary to operate our vessels and business or may have to pay increased costs for its employees and crew and other vessel operating costs.*
- *We may be subject to taxes, which may reduce our cash available for distribution to our unitholders.*
- *U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. unitholders.*
- *We may have to pay tax on U.S.-source income, which would reduce our earnings.*
- *Actions taken by holders of our common units could result in our (and certain of our non-U.S. subsidiaries) being treated as a "controlled foreign corporation," which could have adverse U.S. federal income tax consequences to certain U.S. holders.*
- *You may be subject to income tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. Such laws may require you to file a tax return with and pay taxes to those countries.*
- *Our diverse lines of business may have an impact on our tax treatment in the countries in which we operate, which could result in a significant negative impact on our earnings and cash flows from operations.*
- *We have been organized as a limited partnership under the laws of the Republic of the Marshall Islands, which does not have a well-developed body of partnership law; as a result, unitholders may have more difficulty in protecting their interests than would unitholders of a similarly organized limited partnership in the United States.*
- *Because we are organized under the laws of the Marshall Islands and our business is operated primarily from our office in Monaco, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.*
- *We rely on the master limited partnership structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt. The depressed trading price of our common units may affect our ability to access capital markets and, as a result, our ability to pay distributions or repay our debt.*
- *Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.*
- *Our general partner has a limited call right that may require unitholders to sell their common units at an undesirable time or price.*
- *Our general partner may transfer its general partner interest to, and the control of our general partner may be transferred to a third party without common unitholder consent.*
- *Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if our public unitholders are dissatisfied, they will need a qualified majority to remove our general partner.*
- *Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business.*
- *We can borrow money to pay distributions, which would reduce the amount of credit available to operate our business.*
- *Our management will have broad discretion with respect to the use of the proceeds resulting from the issuance of common units whether under a continuous offering program or a secondary offering.*
- *Our general partner and its affiliates, which includes Angeliki Frangou, own a significant interest in us and may have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to the detriment of unitholders.*
- *Our officers face conflicts of interest and conflicts in the allocation of their time to our business.*
- *Fees and cost reimbursements, which the Managers determine for services provided to us, represent significant percentage of our revenues, are payable regardless of profitability and reduce our cash available for distributions.*

Risks Relating to Our Business and our Industry

Our growth depends on continued growth in demand for dry bulk commodities, liquid cargo, finished or semi-finished goods, and the shipping of drybulk cargoes, containers as well as crude oil, petroleum products and other liquid cargoes.

Our growth strategy focuses on expansion in the Dry Cargo, container and tanker shipping sectors. Accordingly, our growth depends on continued growth in world and regional demand for dry and liquid bulk commodities, finished or semi-finished goods and the shipping of containers, dry and liquid cargoes, which could be negatively affected by a number of factors, such as declines in prices for dry or liquid bulk commodities or containerized cargoes, or general political, social and economic conditions.

We anticipate that the future demand for our drybulk carriers, container and tanker vessels and their charter rates will be dependent upon demand for imported commodities, economic growth in the emerging markets, including the Asia Pacific region, India and Brazil. In past years, China and India have had two of the world's fastest growing economies in terms of gross domestic product and have been the main driving force behind increases in marine drybulk and tanker trades and the demand for drybulk vessels and tankers. The Asia Pacific and Indian economies have also been significant suppliers of manufactured goods currently shipped by container to the developed markets of the Organisation for Economic Co-operation and Development ("OECD") and worldwide. If economic growth declines in China, Japan, India and other countries in the Asia Pacific region, we may face decreases in demand of such drybulk, tanker and container shipping trades. For example, recent slowdowns of the Chinese economy had adversely affected demand for bulk carriers for most of 2023. Recent spot and period rates have risen but are currently at levels below their peaks in the fall of 2021, however asset values have increased. There is no guarantee that the charter rates or asset prices will remain at elevated levels and may decline. Global economic conditions, while somewhat more stable than in the immediate aftermath of the financial crisis, remain uncertain with respect to long-term economic growth. In particular, the uncertainty surrounding the future of the Eurozone; the economic prospects of the United States (sometimes referred to as the "U.S."); the future economic growth of China, Brazil, India, and other emerging markets; the current armed conflict between Russia and Ukraine, the Israel's war on Gaza and the attacks in the Red Sea; and changing oil production and consumption patterns due to pandemics, war, efficiencies, environmental concerns, new technologies and government policy changes are all expected to affect demand for drybulk carriers, container vessels, and product and crude tankers going-forward.

The past 2008 global financial crisis, the continuing U.S. shale production expansion and the effects of COVID-19 have intensified the unpredictability of tanker rates. Furthermore, the extension of refinery capacity in China, India and particularly the Middle East during 2022 to 2024 is expected to exceed the immediate consumption in these areas, and an increase in exports of refined oil products is expected as a result. Changes in product trading patterns due to the implementation of the IMO 2020 sulfur reduction rules and closure of refineries due to the pandemic should increase trade in refined oil products. Changes in crude and product trading patterns due to the armed conflict between Russia and the Ukraine may remain long after the conflict is resolved and sanctions are removed, which should increase ton miles and therefore the demand for such vessels. In the short term, the recent increase in attacks in the Red Sea may increase voyage length which may increase vessel time charter rates, particularly for tankers and containerships although all shipping will be affected if such attacks continue to cause ships to avoid the use of the Red Sea and transits of the Suez Canal.

If oil demand grows in the future, it is expected to come primarily from emerging markets which have been historically volatile, such as China and India, and a slowdown in these countries' economies or a change in policies favoring less oil consumption in favor of renewable energy sources or similar may severely affect global oil demand growth, and may result in protracted, reduced consumption of oil products and a decreased demand for our vessels and lower charter rates, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

Should the Organization of the Petroleum Exporting Countries ("OPEC") significantly reduce oil production or should there be significant declines in non-OPEC oil production, that may result in a protracted period of reduced oil shipments and a decreased demand for our vessels and lower charter rates, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

While containership rates have fallen from their all time highs in the beginning of 2022 due to governments' removal of pandemic related restrictions on travel and business, and the reduction or elimination of supply chain disruptions, there is no guarantee that they will remain at levels that are still elevated above pre-pandemic rates and could return to levels at or below their long term averages.

A slowdown in the economies of the U.S. or the EU, or certain other Asian countries may also adversely affect economic growth in the Asia Pacific region and India. A decline in demand for commodities transported in drybulk carriers, tankers and/or containerships, or an increase in supply of drybulk vessels, tankers or containerships could cause a further decline in charter rates, which could materially adversely affect our cashflows, profitability and our results of operations and financial condition.

The cyclical nature of the international shipping industry may lead to decreases in charter rates and lower vessel values. Charter hire rates have significantly declined from historically high levels recently, are volatile and may remain depressed or reach low levels or decrease in the future, which may adversely affect our earnings, revenue, profitability and ability to pay distributions.

The drybulk shipping industry is cyclical with attendant volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of drybulk vessels has varied widely, and charter hire rates for drybulk vessels have declined significantly from historically high levels. For example, in the past time charter and spot market rates for drybulk vessels have declined below operating costs of vessels. The Baltic Dry Index, or BDI, an index published by the Baltic Exchange Limited of shipping rates for 26 key drybulk routes, fell 97% from a peak of 11,793 in May 2008 to a low of 290 in February 2016. While the BDI showed improvement since then, in the last two years it has ranged from a low of 530 in February 2023 to a high of 3,369 in May 2022, and at 2,196 on March 22, 2024 it remains at average compared to historical highs and there can be no assurance that the drybulk charter market will not decline further.

The ocean-going container shipping industry is both cyclical and volatile in terms of charter rates, profitability and, consequently, vessel values. According to industry data, containership charter rates peaked in 2005, with the Containership Timecharter Rate Index (a $/day per twenty-foot equivalent units ("TEU") weighted average of 6-12 month time charter rates of Panamax and smaller vessels (1993=100)) reaching 172 points in March and April 2005, and generally stayed above 100 points until the middle of 2008, when the effects of the economic crisis began to affect global container trade, driving the Containership Timecharter Rate Index to a 10-year low of 32 points in the period from November 2009 to January 2010. As of the end of January 2020, the Containership Timecharter Rate Index stood at 61 points, hit a bottom of 41 points as of the end of June 2020 and then rose to an all time high of 434 as of the beginning of April 2022. Since then the Containership Timecharter Rate Index has fallen to 94 in the middle of March 2024. Current container charter rates are at rates that are above pre-pandemic levels but there is no guarantee that they will remain elevated and could return to average or below average levels when they fall.

Charter rates in the crude oil, product and chemical tanker sectors have significantly declined from historically high levels in 2008 and may remain depressed or decline further. For example, the Baltic Exchange Dirty Tanker Index (BDTI) declined from a high of 2,347 in July 2008 to 453 in mid-April 2009, which represents a decline of approximately 81%. Since January 2022, it has traded between a low of 679 and a high of 2,496; as of March 22, 2024, it stood at 1,161. The Baltic Exchange Clean Tanker Index (BCTI) fell from 1,509 in the early summer of 2008 to 345 in April 2009, or an approximate 77% decline. It has traded between a low of 543 and a high of 2,143 since January 2022 and stood at 1,233 as of March 22, 2024. Tanker charter rates for VLCCs, LR1s and MR2s experienced the lowest annual average time charter earnings on record in 2021, although current rates are higher than those recorded lows. Of note is that Chinese imports of crude oil have steadily increased from three million barrels per day in 2008 to a record 13 million barrels per day in June 2020 and stood at 11.0 million barrels per day in February 2024. Additionally, since the U.S. removed its ban at the end of 2015, U.S. crude oil exports increased by over 1,100% from 0.4 million barrels per day to a record 4.8 million barrels per day in March 2023; and averaged 4.5 million barrels per day in December 2023. The U.S. has steadily increased its total petroleum product exports by about 580% to a record 7.0 million barrels per day in December 2023 from one million barrels per day in January 2006.

If the drybulk, tanker or container shipping industries, which have been highly cyclical and volatile, are depressed in the future when our charters expire or when we are otherwise seeking new charters, we may be forced to re-charter our vessels at reduced or even unprofitable rates, or we may not be able to re-charter them at all and/or we may be forced to scrap them, which may reduce or eliminate our earnings, make our earnings volatile, affect our ability to generate cash flows and maintain liquidity. However, the drybulk, tanker and containership rate cycles have peaked and have fallen to low points at different times, which may mitigate overall cash flow reductions. We cannot give any assurance that we will be able to successfully charter our vessels in the future or renew our existing charters at rates sufficient to allow us to operate our business profitably, to meet our obligations, including payment of debt service to our lenders, or to pay distributions to our unitholders. Our ability to re-charter our vessels upon the expiration or termination of their current charters, or on vessels that we may acquire in the future, as well as, the charter rates payable under any replacement charters will depend upon, among other things, economic conditions in the sectors in which our vessels operate at that time, changes in the supply and demand for vessel capacity and changes in the supply and demand for the transportation of commodities or manufactured goods.

Additionally, if the spot market rates or short-term time charter rates become significantly lower than the time charter equivalent rates that some of our charterers are obligated to pay us under our existing charters, the charterers may have incentive to default under that charter or attempt to renegotiate the charter. If our charterers fail to pay their obligations, we would have to attempt to re-charter our vessels at lower charter rates, which would affect our ability to comply with our loan covenants and operate our vessels profitably. If we are not able to comply with our loan covenants and our lenders choose to accelerate our indebtedness and foreclose their liens, we could be required to sell vessels in our fleet and our ability to continue to conduct our business would be impaired.

Fluctuations in charter rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the major commodities and finished goods carried by water internationally. Because the factors affecting the supply and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in charter rates are also unpredictable.

Furthermore, a significant decrease in charter rates would cause asset values to decline, and we may have to record an impairment charge in our consolidated financial statements which could adversely affect our financial results. Because the market value of our vessels may fluctuate significantly, we may also incur losses when we sell vessels, which may adversely affect our earnings. If we sell vessels at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount in our financial statements, resulting in a loss and a reduction in earnings.

Factors that influence demand for vessels capacity include:

- global and regional economic and political conditions, including armed conflicts, wars and terrorist activities (including piracy), embargoes and strikes;
- global or local health related issues including disease outbreaks or pandemics;
- disruptions and developments in international trade, including the effects of currency exchange rate changes and any differences in supply and demand between regions;
- changes in seaborne and other transportation patterns;
- supply and demand for energy resources, drybulk products, commodities, semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, semi-finished and finished consumer and industrial products;
- supply and demand for products shipped in containers;
- supply and demand for commodities shipped in Dry Cargo vessels;
- supply and demand of liquid cargoes, including petroleum and petroleum products;
- changes in global production of raw materials, semi-finished or finished goods and products transported by containerships;
- changes in oil production and refining capacity and regional availability of petroleum refining capacity;
- the distance drybulk, liquid cargo or containers are to be moved by sea, including changes in the distances over which cargo is transported due to geographic changes where commodities are produced, manufactured, refined or used or due to sanctions or restrictions due to geopolitical issues, embargoes, wars or other conflicts;
- fuel prices for the bunker fuel used aboard ships;
- whether the vessel is equipped with scrubbers or not;
- natural or man-made disasters or actions that affect the ability of our vessels to use certain waterways;
- waiting days in ports or port congestion generally due to any causes;
- the globalization of manufacturing and all developments in international trade;
- carrier alliances, vessel sharing or container slot sharing that seek to allocate container ship capacity on routes;
- any weather events affecting production or consumption or movements at sea or through canals or any waterways and crop yields;
- political, environmental and other regulatory developments, including but not limited to governmental macroeconomic policy changes (including the application of stimulus programs or withdrawal of same), import and export restrictions, including sanctions, trade wars, central bank policies and pollution conventions or protocols, including any limits on CO2 emissions or the consumption of carbon based fuels due to climate change agreements or protocols or the imposition to comply with the provisions of the European Union (EU) Emissions Trading System (EU ETS) which may have the effect of changing trading patterns on certain commodities or finished or semi-finished goods or decreasing vessels willing to trade into and out of the EU;
- political developments, including changes to trade policies and or trade wars, including the provision or removal of economic stimulus measures meant to counteract the effects of sudden market disruptions due to conflicts, wars, banking, financial, economic or health crises;
- domestic and foreign tax policies;
- armed conflicts and terrorist activities;
- competition from alternative sources of energy and/or governmental policies encouraging the use of such alternatives (including the replacement of fossil fuels, such as coal or oil or gas, with renewables for industrial or consumer use);
- international sanctions, embargoes, strikes and nationalizations; and
- technical advances in ship design and construction.

The supply of vessel capacity has generally been influenced by, among other factors:

- the number of vessels that are out of service (including any held in quarantine or waiting for crew changes due to health related or other restrictions or those vessels impounded or restricted from movement due to any war, lockout, lack of insurance or other political measure), namely those that are laid-up, drydocked, awaiting or

undergoing repairs or otherwise not available or prevented from being available for hire;

- the scrapping rate of older vessels;
- the availability of finance or lack thereof for ordering newbuildings or for facilitating ship sale and purchase transactions;
- port and canal traffic and congestion, including canal improvements that can affect employment of ships designed for older canals or closure or blockage of any waterway due to accidents, war, piracy, weather or any other reason;
- the number of shipyards and ability of shipyards to deliver vessels;
- the number of newbuilding deliveries;
- vessel casualties;
- weather;
- the number of vessels that are used for storage or as floating storage offloading service vessels;
- the conversion of tankers to drybulk cargo and the reverse conversion;
- the phasing out of single-hull tankers due to legislation and environmental concerns;
- national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage;
- changes in environmental and other regulations and standards (including IMO rules requiring a reduction in the use of high sulfur fuels, the fitting of additional ballast water treatment systems and rules intended to reduce CO2 emissions, including the EU ETS) that limit the profitability, operations or useful lives of vessels;
- the price of steel, fuel and other raw materials; and
- the economics of slow steaming.

In addition to the prevailing and anticipated charter rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to newbuilding and scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage costs, the efficiency and age profile of the existing drybulk, tanker and container fleets in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These and other factors influencing the supply of and demand for shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

Historically, the drybulk, tanker and containership markets have been volatile as a result of the many conditions and factors that can affect the price, supply and demand for vessel capacity. The consequences of any future global economic crisis may further reduce demand for transportation of dry and liquid commodities and finished or semi-finished goods over long distances and supply of ships that carry those dry and liquid commodities and finished or semi-finished goods, which may materially affect our future revenues, profitability and cash flows. In addition, public health threats, such as the coronavirus, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, could adversely impact our operations, and the operations of our customers. Armed conflicts, wars and insurrections could also adversely impact our operations and the operations of our customers. We anticipate that the future demand for our vessels will be dependent upon economic growth in all of the world's economies, particularly China and India, seasonal and regional changes in demand, changes in the capacity of the global dry, tanker and container fleets and the sources and supply of drybulk, liquid or containerized cargo to be transported by sea.

A decrease in the level of China's imports of raw materials, exports of goods, or a decrease in trade globally could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

China imports significant quantities of raw materials, and exports significant amounts of finished or semi-finished goods. For example, in 2023, China imported 1.161 billion tons of iron ore by sea out of a total of 1.543 billion tons shipped globally, accounting for about 75% of the global seaborne iron ore trade. While it accounted for approximately 27% of seaborne coal movements of coal in 2023 according to current estimates (359 million tons imported compared to 1.315 billion tons of seaborne coal traded globally), and 25% of all crude oil shipped globally in 2023 (508 million tons imported compared to 2.022 billion tons of seaborne crude oil traded globally). Our drybulk vessels, tankers and containerships are deployed by our charterers on routes involving trade in and out of emerging markets, and our charterers' revenue may be derived from the shipment of goods within the Asia Pacific region and to or from various overseas export markets. Any reduction in or hindrance to China-based importers or exporters could have a material adverse effect on the growth rate of China's imports and exports and on our charterers' business. For instance, the government of China has implemented economic policies aimed at reducing pollution, increasing consumption of domestically produced Chinese coal and Chinese-made goods, or increasing consumption of natural gas or banning imports of coal or other commodities from certain countries to China or increasing the production of electricity from renewable resources or changing any policy to promote domestic consumption which decreases imports or exports of raw materials or finished goods.

This may have the effect of (i) reducing the demand for imported raw materials and may, in turn, result in a decrease in demand for drybulk or tanker shipping, and (ii) reducing the supply of goods available for export and may, in turn, result in a decrease of demand for drybulk, tanker or container shipping. Additionally, though in China there is an increasing level of autonomy and a gradual shift in emphasis to a "market economy" and enterprise reform, many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented or experimental and may be subject to revision, change, reversal or abolition. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government. The conflict between Ukraine and Russia, the war and any sanctions resulting therefrom, Israel's war in Gaza, the attacks in the Red Sea, the pandemic and ongoing global trade war between the U.S. and China may contribute to an economic slowdown in China.

In recent years, China has been one of the world's fastest growing economies in terms of gross domestic product, which has had a significant impact on shipping demand. However, if China's growth in gross domestic product declines and other countries in the Asia Pacific region experience slower or negative economic growth in the future, this may negatively affect the economies of the United States and the European Union, and thus, may negatively impact the shipping industry. For example, the possibility of the introduction of impediments (including any sanctions) to trade with or within the European Union member countries in response to wars, conflicts or increasing terrorist activities, and the possibility of market reforms to float the Chinese renminbi, either of which development could weaken the euro against the Chinese renminbi, could adversely affect consumer demand in the European Union. Moreover, the revaluation of the renminbi may negatively impact the United States' demand for imported goods, many of which are shipped from China. Political events such as a global trade war or any moves by either China, the United States or the European Union to levy additional tariffs on imported goods as part of protectionist measures or otherwise, could decrease shipping demand. Such weak economic conditions or protectionist measures could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

China has enacted a tax for non-resident international transportation enterprises engaged in the provision of services of passengers or cargo, among other items, in and out of China using their own, chartered or leased vessels, including any stevedore, warehousing and other services connected with the transportation. The regulation broadens the range of international transportation companies which may find themselves liable for Chinese enterprise income tax on profits generated from international transportation services passing through Chinese ports. This tax or similar regulations by China may reduce our operating results and may also result in an increase in the cost of goods exported from China and the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped from or through China, which would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

Similarly, an extension or expansion or recurrence of the recent worldwide pandemic, or withdrawals or changes to economic stimulus packages or initiations or endings to local lockdowns or quarantines by China or other nations to combat the pandemic may reduce our operating results and may also result in an increase in the cost of goods exported from China and the risks associated with exporting goods from China, as well as a decrease in the quantity of goods including petroleum products and manufactured products to be shipped from or through China or imports of commodities including iron ore, coal, grain and crude oil to China, which would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

Any sanctions levied against Russia or any other country involved in a conflict that affect or begin to affect China or other nations involved in commodity or manufactured goods trades which have the effect of raising prices for such goods or causing economic downturns due to such price rises which would have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us and to renew and increase the number of their time charters with us.

For a description of the economic and trade sanctions and other compliance requirements under which we operate please see "Item 4. Information on the Partnership – B. Business Overview – Economic Sanctions and Compliance".

Any decrease in shipments of crude oil from the Arabian Gulf or the Atlantic basin may adversely affect our financial performance.

The demand for VLCC oil tankers derives primarily from demand for Arabian Gulf and Atlantic basin (West Africa, United States, Brazil, North Sea, Guyana and other) crude oils, which, in turn, primarily depend on the economies of the world's industrial countries and competition from alternative energy sources. A wide range of economic, social and other factors can significantly affect the strength of the world's industrial economies and their demand for Arabian Gulf and Atlantic basin crude oil.

Among the factors that could lead to a decrease in demand for exported Arabian Gulf and Atlantic basin crude oil are:

- increased use of existing and future crude oil pipelines in the Arabian Gulf or Atlantic basin regions;
- increased demand for crude oil in the Arabian Gulf or Atlantic basin regions;
- a decision by OPEC or other petroleum exporters to increase their crude oil prices or to further decrease or limit their crude oil production;
- any increase in refining of crude into petroleum products for domestic consumption or export;
- armed conflict or acts of piracy in the Arabian Gulf, Red Sea, Gulf of Aden or Atlantic basin including West Africa and political or armed conflicts or sanctions anywhere that affect demand for crude oil from these regions or other factors;
- economic and pandemic related crises that decrease oil demand generally;
- changes to oil production in other regions, such as the United States, Russia and Latin America, including those production changes caused by war, conflict or sanctions; and
- the development and the relative costs of nuclear power, natural gas, coal, renewables and other alternative sources of energy.

Any significant decrease in shipments of crude oil from the Arabian Gulf or Atlantic basin may materially adversely affect our financial performance.

Increasing energy self-sufficiency in the United States could lead to a decrease in imports of oil to that country, which to date has been one of the largest importers of oil worldwide.

According to the 2023 Annual Energy Outlook published in March 2023 by the US Energy Information Agency ("EIA"): Although domestic consumption of petroleum and other liquids does not increase through 2040 across most cases, U.S. petroleum and other liquids production remains high because of increased exports of finished products in response to growing international demand. In all cases, the EIA projected that the United States will remain a net exporter of petroleum products through 2050. Crude oil imports remain relatively flat in the Reference case but vary widely in the side cases. This wide range in imports is mainly due to the tradeoff between domestic production and imports. In the Low Oil and Gas Supply case, crude oil imports increase significantly, partially to account for falling domestic crude oil production. The opposite occurs in the High Oil and Gas Supply case, in which increased domestic production balances lower crude oil imports. Similarly in the annual World Energy Outlook (October 2023), the International Energy Agency ("IEA") forecast that North American crude oil output will expand by 2.7 million barrels per day ("MBPD") to 28.3 MBPD by 2030 from 25.6 MBPD in 2022 in their Stated Policies Scenario (STEPS) while the Middle East increases production by about 2.8 MBPD by 2030 (from 31.0 to 33.8 MBPD). Brazil and Guyana will lead South American to increase oil production by 2.7 MBPD by 2030 adding to Atlantic Basin supply. Eurasian production, led by Russia will fall by 0.8 MBPD. In total North, Central and South American production will increase by 5.4 MBPD to 2030; 93% more than the Middle East's increase of 2.8 MBPD. Global oil demand rises to 101.5 MBPD in 2030 from 96.5 MBPD in 2022, with China, India and Southeast Asia together accounting for about 96% of the increase in global demand while demand in advanced economies falls by 4.1 MBPD to 2030 which will continue the trend of shipping more Atlantic Basin oil to China, India and Other Asian countries.

In recent years the share of total U.S. consumption met by imports, including both crude oil and products (excluding biofuels), has been decreasing since peaking at over 68% in 2008 according to BP/Energy Institute's 2023 Statistical Review and stood at 44% for 2022. EIA statistics show that U.S. crude oil imports fell 14% to an average of 5.9 MBPD in 2020 under the 6.8 MBPD for 2019 but have risen steadily since then but still remain below 2019 imports (6.1 MBPD (4%) in 2021, 6.3 MBPD (3%) in 2022 and 6.5 MBPD in 2023 (3%)), the average imports are still below the June 2005 peak of 10.8 MBPD. EIA statistics note that U.S. crude oil exports have risen steadily since the ban on exports was lifted in 2015 reaching an all-time high of 4.8 MBPD in March 2023 and stood at 4.5 MBPD in December 2023, which was a very significant increase over the most recent low of 9,100 barrels per day exported in 2002 on average. A slowdown in oil imports to or exports from the United States, one of the most important oil trading nations worldwide, may result in decreased demand for our vessels and lower charter rates, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

An increase in trade protectionism and the unraveling of multilateral trade agreements could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

Our operations expose us to the risk that increased trade protectionism will adversely affect our business. In past years, government leaders have declared that their countries may turn to trade barriers to protect or revive their domestic industries in the face of foreign imports, thereby depressing the demand for shipping. Concerns regarding terrorist threats from groups in Europe (or anywhere) and the refugee crisis or any investment legislation that favors domestic production or production from friendly nations may advance protectionist policies and may negatively impact globalization and global economic growth, which could disrupt financial markets, and may lead to weaker consumer demand in the European Union, the United States, and other parts of the world which could have a material adverse effect on our business. Deteriorations in the global economy have caused, and may continue to cause, decreases in worldwide demand for dry and liquid cargoes and certain goods shipped in containerized form.

Uncertainty has been created about the future relationship between the United States, the European Union, China, Russia and other importing and exporting countries, including with respect to trade policies, treaties, government regulations and tariffs. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Restrictions on imports, including in the form of tariffs, could have a major impact on global trade and demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause an increase in (i) the cost of goods exported from exporting countries, (ii) the length of time required to deliver goods from exporting countries, the costs of such delivery and (iv) the risks associated with exporting or importing goods. These factors may result in a decrease in the quantity of goods to be shipped and the distances those goods travel. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade, including trade between the United States and China or between Russia and other countries. These developments would have an adverse impact on our charterers' business, operating results and financial condition. This could, in turn, affect our charterers' ability to make timely charter hire payments to us and impair our ability to renew charters and grow our business. This could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

While we favor longer term charters for all the tanker, dry bulk and container vessels we own or control, we may from time to time have to rely on chartering our vessels in the spot market either because our charter ended during a period of weak demand or we need to reposition a vessel out of a geographically or seasonally disadvantaged position. Additionally some of the longer term charters we have are indexed to spot rates. Spot market rates for tanker, dry bulk and container vessels are highly volatile and may decrease in the future, which may materially adversely affect our earnings in the event that our vessels are chartered in the spot market or those that may be chartered under index linked charters.

We may deploy at least some of our product tankers, chemical tankers and Very Large Crude Carriers ("VLCCs") in the spot market directly or in pools. Although spot chartering is common in the product, chemical and VLCC sectors, product tankers, chemical tankers and VLCC charter hire rates are highly volatile and may fluctuate significantly based upon demand for seaborne transportation of crude oil, oil products and chemicals, as well as tanker supply. World oil demand is influenced by many factors, including international economic activity (including reactions to any economic or health crises or conflicts); geographic changes in oil production, weather and seasonal demand, processing, and consumption; oil price levels; inventory policies of the major oil and oil trading companies; and strategic inventory policies of countries such as the United States and China.

We may deploy our dry bulk vessels on term charters either at fixed rates or rates that vary with an index of spot voyages such as those published by the Baltic Exchange. Some of these charters have the ability to fix rates for succeeding quarters or for longer durations into the future and we have exercised those options when we believe it is advantageous to do so to maximize earnings or to defend against a perceived market weakness. If we do not fix rates going forward or the index charter does not have an ability to do so or a long term charter ends during a period of market weakness, we may be exposed to volatile spot rates that can be lower than the rates in the existing term charters on our other dry bulk vessels which may materially adversely affect our earnings.

The container ship market generally favors longer term charters so that liner companies can establish set schedules for deliveries of containerized cargoes and we may deploy our container vessels on longer term charters at fixed rates or in some instances at rates linked to a spot index such as the Contex. Should term charters on our container vessels end during periods of market weakness, we may be exposed to charters of shorter duration or charters linked to a spot index, which would expose our container ships to volatile spot rates that can be lower than the existing rates in the term charters on our other container ships, which may materially adversely affect our earnings.

The successful operation of our vessels in the spot charter market depends upon, among other things, obtaining profitable spot charters and minimizing, to the extent possible, time spent waiting for charters and time spent traveling unladen to pick up cargo. Furthermore, as charter rates for spot charters are fixed for a single voyage that may last up to several weeks, during periods in which spot charter rates are rising, we will generally experience delays in realizing the benefits from such increases. The spot market is highly volatile, and, in the past, there have been periods when spot rates have declined below the operating cost of vessels.

Currently, spot charter hire rates are above operating costs for all tanker, dry bulk and container vessel sizes and there is no assurance that the charter market for any of these vessels will rise over the next several months or will not decline. A decrease in spot rates may decrease the revenues and cash flow we derive from vessels employed in pools or on index linked charters. Such volatility in pool or index linked charters may be mitigated by any minimum rate due to us that we negotiate with our charterers.

Additionally, if the spot market rates or short-term time charter rates become significantly lower than the time charter equivalent rates that some of our charterers are obligated to pay us under our existing charters, the charterers may have incentive to default under that charter or attempt to renegotiate the charter. If our charterers fail to pay their obligations, we would have to attempt to re-charter our vessels at lower charter rates, which would affect our ability to comply with our loan covenants and operate our vessels profitably. If we are not able to comply with our loan covenants and our lenders choose to accelerate our indebtedness and foreclose their liens, we could be required to sell vessels in our fleet and our ability to continue to conduct our business would be impaired.

Certain of our tanker, dry bulk and container vessels are contractually committed to time charters. We are not permitted to unilaterally terminate the charter agreements of these vessels due to upswings in industry cycles, when spot market voyages might be more profitable. We may also decide to sell a vessel in the future. In such a case, should we sell a vessel that is committed to a long-term charter, we may not be able to realize the full charter free fair market value of the vessel during a period when spot market charters are more profitable than the charter agreement under which the vessel operates. We may re-charter our vessels on long term charters or charter them in the spot market or place them in pools upon expiration or termination of the vessels' current charters.

Our growth depends on our ability to expand relationships with existing customers, obtain new customers and enter new shipping sectors, for which we will face substantial competition from new entrants and established companies with significant resources.

Long-term time charters have the potential to provide income at pre-determined rates over more extended periods of time. However, the process for obtaining longer term time charters is highly competitive and generally involves a lengthy, intensive and continuous screening and vetting process and the submission of competitive bids that often extends for several months. In addition to the quality, age and suitability of the vessel, longer term shipping contracts tend to be awarded based upon a variety of other factors relating to the vessel operator, including:

- the operator's environmental, health and safety record and acceptability to charterers;
- the acceptability of the vessel due to its history;
- compliance with the IMO or carbon intensity rules or standards and the heightened industry standards that have been set by some energy companies;
- shipping industry relationships, reputation for customer service, technical and operating expertise;
- shipping experience and quality of ship operations, including cost-effectiveness;
- quality, experience and technical capability of crews;
- the ability to finance vessels at competitive rates and overall financial stability;
- relationships with shipyards and the ability to obtain suitable berths;
- construction management experience, including the ability to procure on-time delivery of new vessels according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price and other commercial terms.

It is likely that we will face substantial competition for long-term charter business from a number of experienced companies. We may not be able to compete profitably as we expand our business into new geographic regions or provide new services. New markets may require different skills, knowledge or strategies than we use in our current markets. Many of these competitors have significantly greater financial resources than we do. It is also likely that we will face increased numbers of competitors entering into our transportation sectors, including in the tanker, containership and drybulk sectors. Many of these competitors have strong reputations and extensive resources and experience. Increased competition may cause greater price competition, especially for long-term charters, as well as for the acquisition of high-quality secondhand vessels and newbuilding vessels. Further, since the charter rate is generally considered to be one of the principal factors in a charterer's decision to charter a vessel, the rates offered by our competitors can place downward pressure on rates throughout the charter market.

Additionally, the consolidation among liner companies and the creation of alliances among liner companies have increased their negotiation power and oil companies facing declining fossil fuel use in the developed world may decrease the number of long term charters that they hold. However, participation in three shipping sectors should mitigate some of the volatility inherent in a focus on one particular market and allow us access to long term charter deals or asset purchases when single market competitors may be constrained.

As a result of these factors, we may be unable to expand our relationships with existing customers or obtain new customers for long-term charters on a profitable basis, if at all. However, even if we are successful in employing our vessels under longer term charters, our vessels will not be available for trading in the spot market during an upturn in the Dry Cargo, tanker or container market cycles, when spot trading may be more profitable. If we cannot successfully employ our vessels in profitable time charters our results of operations and financial condition, as well as operating cash flow could be adversely affected.

We may be unable to make or realize expected benefits from acquisitions, and implementing our growth strategy through acquisitions may harm our business, financial condition and operating results.

Our growth strategy depends, in part, on a gradual expansion of our fleet. Any acquisition of a vessel or a fleet may not be profitable to us at or after the time we acquire it and may not generate cash flow sufficient to justify our investment. We may also fail to realize anticipated benefits of our growth, such as new customer relationships, cost-savings or cash flow enhancements, or we may be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet.

Our growth strategy could decrease our liquidity by using a significant portion of our available cash or borrowing capacity to finance acquisitions. To the extent that we incur additional debt to finance acquisitions, it could significantly increase our interest expense or financial leverage. We may also incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Additionally, the marine transportation and logistics industries are capital intensive, traditionally using substantial amounts of indebtedness to finance vessel acquisitions, capital expenditures and working capital needs. If we finance the purchase of our vessels through the issuance of debt securities, it could result in:

- default and foreclosure on our assets if our operating cash flow after a business combination or asset acquisition were insufficient to pay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we have made all principal and interest payments when due if the debt security contained covenants that required the maintenance of certain financial ratios or reserves and any such covenant were breached without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security was payable on demand; and
- our inability to obtain additional financing, if necessary, if the debt security contained covenants restricting our ability to obtain additional financing while such security was outstanding.

In addition, our business plan and strategy is predicated on buying vessels at what we believe is near the low end of the cycle in what has typically been a cyclical industry. However, charter rates and vessel asset values may sink lower, and shipping costs or vessel asset values may not increase in the near-term or at all.

Delays in deliveries of secondhand or newbuilding vessels, cancellations or non-completion of deliveries could harm our business, financial condition and results of operations

If we purchase any newbuilding vessels, the shipbuilder could fail to deliver the newbuilding vessel as agreed. In addition, under charters that are related to a newbuilding, delays in our delivery of the newbuilding to our customer could result in liquidated damages payable to a customer, and for prolonged delays, the customer may terminate the charter and, in addition to the resulting loss of revenues, we may be responsible for additional, substantial liquidated damages. We do not derive any revenue from a vessel until after its delivery and will be required to pay substantial sums as progress payments during construction of a newbuilding. While we expect to have refund guarantees from financial institutions with respect to such progress payments in the event the vessel is not delivered by the shipyard or is otherwise not accepted by us, there is the potential that we may not be able to collect all or any portion of such refund guarantees, in which case we would lose the amounts of monies we have advanced to the shipyards for such progress payments.

The completion and delivery of newbuildings could be delayed, cancelled or otherwise not completed because of:

- quality or engineering problems;
- changes in governmental regulations or maritime self-regulatory organization standards;
- work stoppages or other labor disturbances at the shipyard;
- bankruptcy or other financial crisis of the shipbuilder;
- a backlog of orders at the shipyard;
- epidemics, pandemics, natural or man-made disasters;
- political, economic or military disturbances;
- weather interference or catastrophic event, such as a major earthquake or fire;
- requests for changes to the original vessel specifications;
- shortages of or delays in the receipt of necessary construction materials, such as steel;
- shortages of or delays in the receipt of necessary component machinery or equipment;
- inability to finance the construction or conversion of the vessels; or
- inability to obtain requisite permits or approvals.

If the delivery of any secondhand vessel is materially delayed or cancelled, especially if we have committed the vessel to a charter for which we become responsible for substantial liquidated damages to the customer as a result of the delay or cancellation, we could sustain significant losses and our business, financial condition and results of operations could be adversely affected.

The loss of a customer, charter or vessel could result in a loss of revenues and cash flow in the event we are unable to replace such customer, charter or vessel.

Payments to us by our charterers under time charters are and will be our main source of operating cash flow. Weaknesses in demand for our shipping services, increased operating costs due to changes in environmental or other regulations and the oversupply of vessels increase the likelihood of one or more of our customers being unable or unwilling to pay us contracted charter rates or going bankrupt.

For the years ended December 31, 2023 and 2022, no customer accounted for 10.0% or more of our total revenues. For the year ended December 31, 2021, Singapore Marine Pte. Ltd ("Singapore Marine") represented approximately 14.5% of our total revenues. The charterers in the containership sector consist of a limited number of liner companies and the charterers in the tanker sector consist of a limited number of oil companies and oil traders. The combination of any surplus of vessel capacity, the expected entry into service of new technologically advanced vessels, and the expected increase in the size of the world dry bulk, tanker and container fleets over the next few years may make it difficult to secure substitute employment for any of our vessels if our counterparties fail to perform their obligations under the currently arranged time charters, and any new charter arrangements we are able to secure may be at lower rates. Furthermore, the surplus of capacity available at lower charter rates and lack of demand for our customers could negatively affect our charterers' willingness to perform their obligations under our time charters, which in many cases provide for charter rates significantly above current market rates. The number of leading liner companies which are part of our client base may continue to shrink and we may depend on an even more limited number of customers to generate a substantial portion of our revenues. The cessation of business with these liner companies or their failure to fulfill their obligations under the time charters for our containerships could have a material adverse effect on our financial condition and results of operations, as well as our cash flows, including cash available for distributions to our unitholders.

We could lose a customer or the benefits of our time charter arrangements for many different reasons, including if the customer is unable or unwilling to make charter hire or other payments to us because of a deterioration in its financial condition, disagreements with us or if the charterer exercises certain termination rights or otherwise. Our customers may go bankrupt or fail to perform their obligations under the contracts, they may delay payments or suspend payments altogether, they may terminate the contracts prior to the agreed-upon expiration date or they may attempt to renegotiate the terms of the contracts. If any of these customers terminates its charters, chooses not to re-charter our ships after charters expire or is unable to perform under its charters and we are not able to find replacement charters on similar terms or are unable to re-charter our ships at all, we will suffer a loss of revenues that could have a material adverse effect on our business, results of operations and financial condition and our ability to make distributions to our unitholders, as we will not receive any revenues from such a vessel while it is un-chartered, but we will be required to pay expenses necessary to maintain and insure the vessel and service any indebtedness on it. Accordingly we may have to grant concessions to our charterers in the form of lower charter rates for the remaining duration of the relevant charter or part thereof, or to agree to re-charter vessels coming off charter at reduced rates compared to the charter then ended.

All of our drybulk vessels' charters are scheduled to expire on dates ranging from March 2024 to January 2029. All of our tankers' charters are scheduled to expire on dates ranging from March 2024 to May 2031. All of our containerships' charters are scheduled to expire on dates ranging from April 2024 to January 2037.

If, upon expiration or termination of these or other contracts, long-term charter rates are lower than existing rates, particularly considering that we intend to enter into long-term charters, or if we are unable to obtain replacement charters, our earnings, cash flow and our ability to make cash distributions to our unitholders could be materially adversely affected.

The loss of any of our charterers, time charters or vessels, or a decline in payments under our time charters, could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

The aging of our vessels may result in increased operating costs in the future, which could adversely affect our earnings.

As of March 19, 2024, the vessels in our fleet had an average age of approximately 9.6 years, on a dwt and fully delivered fleet basis, when drybulk and tanker vessels have an expected life of approximately 25 years and containerships have an expected life of approximately 30 years and we may acquire older vessels in the future. Older vessels are typically more costly to maintain than more recently constructed vessels due to improvements in engine and other technologies. As our fleet ages, we will incur increased costs. In some instances, charterers prefer newer vessels that are more fuel efficient than older vessels. Cargo insurance rates also increase with the age of a vessel, making older vessels less desirable to charterers as well. Therefore, as vessels age it can be more difficult to employ them on profitable time charters, particularly during periods of decreased demand in the charter market. Accordingly, we may find it difficult to continue to find profitable employment for our vessels as they age. Governmental regulations, safety or other equipment standards related to the age of the vessels may require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which these vessels may engage. Older vessels may require longer and more expensive dry-dockings, resulting in more off-hire days and reduced revenue. We cannot assure you that as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. If we sell vessels, we may have to sell them at a loss, and if charterers no longer charter our vessels due to their age, it could materially adversely affect our earnings.

A number of third party owners have ordered so-called "eco-type" vessel designs or have retrofitted scrubbers to remove sulfur from exhaust gases, which may offer substantial bunker cost savings as compared to older designs or vessels without exhaust gas scrubbers. Increased demand for and supply of "eco-type" or scrubber retrofitted vessels could reduce demand for our vessels that are not classified as such and expose us to lower vessel utilization and/or decreased charter rates.

New eco-type vessel designs or scrubber retrofits purport to offer material bunker cost savings compared to older designs, including certain of our vessels. Fitting scrubbers will allow a ship to consume high sulfur fuel oil ("HSFO") which, to date, has been cheaper than the low sulfur fuel oil ("LSFO") that ships without scrubbers must consume to comply with the IMO 2020 low sulfur emission requirements. Depending on the magnitude of the difference in prices between LSFO and HSFO, such savings could result in a substantial reduction of bunker cost for charterers compared to such vessels of our fleet which may not have scrubbers. As the supply of such "eco-type" or scrubber retrofitted vessels increases, if the differential between the cost of HSFO and LSFO remains high, or if charterers prefer such vessels over our vessels that are not classified as such, this may reduce demand for our non-"eco-type", non-scrubber retrofitted vessels, impair our ability to re-charter such vessels at competitive rates and have a material adverse effect on our business, financial condition, cash flows and results of operations.

As of January 2024, all passenger and commercial cargo vessels over 5,000 gross tons entering or trading within the European Union (EU) and the European Economic Area (EEA) will have to comply with provisions of the EU Emissions Trading System (ETS). In 2025, allowances for 40% of the 2024-emissions in the EU and EEA will have to be surrendered. As owners we are by default the responsible entity, and have to ensure that allowances are surrendered. This means that we have to either receive allowances from charterers or purchase and use EU ETS emissions allowances for the CO2 emitted during voyages within and during voyages that enter and exit the EU / EEA. We may be subject to penalties, fines or other consequences if we do not surrender sufficient ETS emissions allowances for any one particular year.

As of June 5, 2023, the EU rules on green house gas emissions from ships came into force. These rules specify that starting on January 1, 2024, the registered owners (or, if responsibility has been transferred, the ISM-company) have to surrender EU ETS emission allowances for CO2-emissions from vessels trading in EU/EEA waters and those trading in and out. Since the ETS-rules are specified in a directive, each member state will have to implement these rules into national legislation. The rules which now will become applicable for shipping companies are similar to the rules for the other ETS sectors (including power plants). The goal of these rules is to reduce emissions and boost demand for marine renewable and low carbon solutions. As these rules are new to shipping, it is unknown exactly how their implementation will affect the industry. While owners are responsible for surrendering the ETS allowances, it is the charterers that direct ships on trades that could enter or leave the EU. As a result, charterers should provide or cause to be provided enough ETS allowances to cover affected voyages or provide sufficient funds within the agreed commercial terms of the charter for the owner to be able to purchase such allowances. If our charterers do not provide enough ETS allowances or sufficient funds to purchase these allowance, we may have to purchase the allowances which may reduce our cash flow. Whilst we have included protective clause in our charter agreements,if charterers do not agree with the calculations of the needed allowances or there is an increase in cost of the allowances between the time that the allowances are incurred and the time that they are purchased, we may be subject to additional costs which could have a material adverse effect on our financial condition and results of operations, as well as our cash flows, including cash available for distributions to our unitholders.

Our vessels may suffer damage or unexpected drydocking costs or be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.

If our owned vessels suffer damage, they may need to be repaired at a drydocking facility. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that insurance does not cover. The loss of earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, could decrease our revenues and earnings substantially, particularly if a number of vessels are damaged or drydocked at the same time. Under the terms of the Management Agreements with the Managers, the costs of drydocking repairs are not included in the daily management fee, but are be reimbursed at cost upon occurrence.

Under the terms of the charter agreements under which our vessels operate, when a vessel is “off-hire,” or not available for service or otherwise deficient in its condition or performance, the charterer generally is not required to pay the hire rate, and we will be responsible for all costs (including the cost of bunker fuel) unless the charterer is responsible for the circumstances giving rise to the lack of availability.

As we do not maintain off-hire insurance except in cases of loss of hire up to a limited number of days due to war or piracy events any extended off-hire period could have a material adverse effect on our results of operations, cash flows and financial condition.

For more information on “off-hire” see “Item 4. Information on the Partnership - B. Business Overview – Off-hire.”

The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our financing arrangements, resulting in the foreclosure of certain of our vessels, limit the amount of funds that we can borrow and adversely affect our ability to purchase new vessels and our operating results. Depressed vessel values could also cause us to incur impairment charges. If vessel values are low at a time when we are attempting to dispose of a vessel, we could incur a loss.

The factors that influence vessel values include:

- the number of newbuilding deliveries;
- prevailing economic conditions in the markets in which drybulk, tanker or containerships operate, including all economic, conflict or pandemic related crises;
- reduced demand for drybulk, tanker or containerships, including as a result of a substantial or extended decline in world trade or energy use;
- the number of vessels scrapped or otherwise removed from the total fleet;
- competition from other shipping companies;
- sophistication and condition of the vessels;
- supply and demand for vessels;
- technological advances since the vessel was constructed;
- whether the vessel is equipped with scrubbers or not;
- changes in environmental and other regulations, including carbon intensity rules, that may limit the useful life of vessels;
- changes in global dry or liquid cargo commodity supply or sources and destinations of containerized cargoes;
- types, sizes and age of vessels;
- advances in efficiency, such as the introduction of remote or autonomous vessels;
- the development of an increase in use of other modes of transportation;
- where the ship was built and as-built specification;
- lifetime maintenance record;
- the cost of vessel acquisitions including the cost of new buildings;
- governmental or other regulations (including the application of any IMO rules, including those regarding any reduction in CO2 emissions or carbon intensity);
- prevailing level of charter rates;
- the availability of financing, or lack thereof, for ordering newbuildings or for facilitating ship sale and purchase transactions;
- general economic and market conditions affecting the shipping industry; and
- the cost of retrofitting or modifying existing ships to respond to technological advances in vessel design or equipment, changes in applicable environmental or other regulations or standards, or otherwise.

If the book value of a vessel is impaired due to unfavorable market conditions, or a vessel is sold at a price below its book value, we would incur a loss. If a charter expires or is terminated, we may be unable to re-charter the vessel at an acceptable rate and, rather than continue to incur costs to maintain the vessel, may seek to dispose it. Our inability to dispose of a vessel at a reasonable price could result in a loss on her sale and could materially and adversely affect our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

If the market value of our vessels decreases, we may breach some of the covenants contained in the financing agreements relating to our indebtedness at the time. Our financing arrangements contain covenants including maximum total net liabilities over total net assets (effective in general after delivery of the vessels), minimum net worth and loan to value ratio covenants. As of December 31, 2023, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities and certain financial liabilities. If we breach any such covenants in the future and we are unable to remedy the relevant breach, our lenders could accelerate or require us to prepay a portion of our debt and foreclose on our vessels. In addition, if the book value of a vessel is impaired due to unfavorable market conditions, we would incur a loss that could have a material adverse effect on our business, financial condition and results of operations.

In addition, as vessels grow older, they generally decline in value. We will review our vessels for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

We review certain indicators of potential impairment, such as undiscounted projected operating cash flows expected from the future operation of the vessels, which can be volatile for vessels employed on short-term charters or in the spot market. Any impairment charges incurred as a result of declines in charter rates would negatively affect our financial condition and results of operations. In addition, if we sell any vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount on our financial statements, resulting in a loss and a reduction in earnings. Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of acquisition may increase and this could materially adversely affect our business, financial condition and results of operations.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which will reduce our cash available for distribution. In addition, each quarter our board of directors is required to deduct estimated maintenance and replacement capital expenditures from operating surplus, which may result in less or no cash available to unitholders than if actual maintenance and replacement capital expenditures were deducted.

We must make substantial capital expenditures to maintain and replace, over the long term, the operating capacity of our fleet. We generally expect to finance these maintenance capital expenditures with cash balances or financing arrangements. These maintenance and replacement capital expenditures include capital expenditures associated with drydocking a vessel, modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain the operating capacity of our fleet. These expenditures could increase as a result of changes in the cost of our labor and materials, the cost of suitable replacement vessels, customer/market requirements, increases in the size of our fleet, the length of charters, governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment, competitive standards, and the age of our ships. In addition, we will need to make substantial capital expenditures to acquire vessels in accordance with our growth strategy and regular fleet renewals. The inability to replace the vessels in our fleet upon the expiration of their useful lives could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

Our significant maintenance and replacement capital expenditures, including without limitation the vessel operating expenses paid to the Managers pursuant to the Management Agreements, to maintain and replace, over the long-term, the operating capacity of our fleet, as well as to comply with environmental and safety regulations, may reduce or eliminate the amount of cash we have available for distribution to our unitholders. Our partnership agreement requires our board of directors to deduct estimated, rather than actual, maintenance and replacement capital expenditures from operating surplus each quarter in an effort to reduce fluctuations in operating surplus. The amount of estimated capital expenditures deducted from operating surplus is subject to review and change by the Conflicts Committee of our board of directors at least once a year. If our board of directors underestimates the appropriate level of estimated maintenance and replacement capital expenditures, we may have less, if any, cash available for distribution in future periods when actual capital expenditures begin to exceed previous estimates.

For detailed information on the amount of vessel operating expenses owed under the Management Agreements, please see the section entitled, “Item 5.Operating and Financial Review and Prospects - A. Operating results – Vessel operating expenses”.

We may be subject to litigation that, if not resolved in our favor or not sufficiently insured against, could have a material adverse effect on us.

We have been and may be, from time to time, involved in various litigation matters. These matters may include, among other things, contract disputes, personal injury claims, environmental claims or proceedings, potential costs due to environmental damage and vessel collisions, and other tort claims, employment matters, governmental claims for taxes or duties, and other litigation that arises in the ordinary course of our business. We cannot predict with certainty the outcome or effect of any claim or other litigation matter, and the ultimate outcome of any litigation or the potential costs to resolve them may have a material adverse effect on us. Insurance may not be applicable or sufficient in all cases and/or insurers may not remain solvent which may have a material adverse effect on our financial condition.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could cause us to suffer exchange rate losses thereby increasing expenses and reducing income.

We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are at present predominantly U.S. dollar-denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect on the date of each transaction. Expenses incurred in foreign currencies against which the U.S. dollar falls in value can increase thereby decreasing our income or vice versa if the U.S. dollar increases in value. For example, as of December 31, 2023, the value of the U.S. dollar as compared to the Euro decreased by approximately 3.5% compared with the respective value as of December 31, 2022. A greater percentage of our transactions and expenses in the future may be denominated in currencies other than the U.S. dollar.

Security breaches and disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In the ordinary course of business, we rely on information technology networks and systems to process, transmit, and store electronic information, and to manage or support a variety of business processes and activities.

Additionally, we collect and store certain data, including proprietary business information and customer and employee data, and may have access to other confidential information in the ordinary course of our business. Despite our cybersecurity measures, which includes active monitoring, training, reporting and other activities designed to protect and secure our data, our information technology networks and infrastructure may be vulnerable to damage, disruptions, or shutdowns due to attack by hackers or breaches, employee error or malfeasance, data leakage, power outages, computer viruses and malware, telecommunication or utility failures, systems failures, natural disasters, or other catastrophic events. Any such events could result in legal claims or proceedings, liability or penalties under privacy or other laws, disruption in operations, and damage to our reputation, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, some of our technology networks and systems are managed by third-party service providers (including cloud-service providers) for a variety of reasons, and such providers also may have access to proprietary business information and customer and employee data, and may have access to confidential information on the conduct of our business. Like us, these third-party providers are subject to risks imposed by data breaches and disruptions to their technology infrastructure. A cyber-attack could defeat one or more of our third-party service providers' security measures, allowing an attacker access to proprietary information from our company including our employees', customers' and suppliers' data. Any such security breach or disruption to our third-party service providers could result in a disruption in operations and damage to our reputation and liability claims, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, fire, human error, war, terrorism, piracy, loss of life, contact with floating, fixed or submerged objects, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. Any of these events may result in loss of revenues, increased costs and decreased cash flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the associated liabilities.

There are also liabilities arising from owning and operating vessels in international trade. We procure insurance for our fleet in relation to risks commonly insured against by vessel owners and operators. Our current insurance includes (i) hull and machinery and war risk insurance covering damage to our vessels' hulls and machinery from, among other things, collisions and contact with fixed and floating objects, (ii) war risks insurance covering losses associated with the outbreak or escalation of hostilities and (iii) protection and indemnity insurance (which includes environmental damage) covering, among other things, third-party and crew liabilities such as expenses resulting from the injury or death of crew members, passengers and other third parties, the loss or damage to cargo, third-party claims arising from collisions with other vessels, damage to other third-party property and pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal.

We do not currently maintain strike or off-hire insurance, which would cover the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents except in cases of loss of hire up to a limited number of days due to war or a piracy event.

Other events that may lead to off-hire periods include natural or man-made disasters that result in the closure of certain waterways and prevent vessels from entering or leaving certain ports. Accordingly, any extended vessel off-hire, due to an accident or otherwise, could have a material adverse effect on our business and our ability to pay distributions to our unitholders.

We can give no assurance that we are adequately insured against all risks or that our insurers will pay a particular claim. Even if our insurance coverage is adequate to cover our losses, we may not be able to obtain a timely replacement vessel in the event of a vessel loss. Under the terms of our financing arrangements, we are subject to restrictions on the use of any proceeds we may receive from claims under our insurance policies.

Because we obtain some of our insurance through protection and indemnity associations, we may also be subject to calls, or premiums, in amounts based not only on our own claim records, but also the claim records of all other members of the protection and indemnity associations. There is no cap on our liability exposure for such calls or premiums payable to our protection and indemnity association. Our payment of these calls could result in significant expenses to us, which could have a material adverse effect on our business, results of operations and financial condition. In addition, we cannot assure you that we will be able to renew our insurance policies on the same or commercially reasonable terms, or at all, in the future. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, protection and indemnity insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm our business, financial condition, cash flows and results of operations. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our vessels failing to maintain certification with applicable maritime self-regulatory organizations. Further, we cannot assure you that our insurance policies will cover all losses that we incur, or that disputes over insurance claims will not arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenues, and could have a material adverse effect on our business, financial condition, cash flows and results of operations. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could have a material adverse effect on our business, results of operations and financial condition and our ability to make distributions to our unitholders. Any uninsured or underinsured loss could harm our business and financial condition. In addition, the insurance may be voidable by the insurers as a result of certain actions, such as vessels failing to maintain required certification.

Our charterers may in the future engage in legally permitted trading in locations or with persons which may still be subject to restrictions due to sanctions or boycott. However, no vessels in our fleet have called on ports in sanctioned countries or in countries designated as state sponsors of terrorism by the U.S. State Department like Iran or Syria. Our insurers may be contractually or by operation of law prohibited from honoring our insurance contract for such trading on such locations or countries or trading with such persons, which could result in reduced insurance coverage for losses incurred by the related vessels. Changes in the insurance markets attributable to the risk of terrorism in certain locations around the world could make it difficult for us to obtain certain types of coverage. In addition, the insurance that may be available to us may be significantly more expensive than our existing coverage. Furthermore, our insurers and we may be prohibited from posting or otherwise be unable to post security in respect of any incident in such locations or countries or as a result of trading with such persons, resulting in the loss of use of the relevant vessel and negative publicity for our Company which could negatively impact our business, results of operations, cash flows and unit price.

Our growth depends on continued growth in demand for crude oil, refined petroleum products (clean and dirty) and bulk liquid chemicals and the continued demand for seaborne transportation of such cargoes.

Our growth strategy depends in part on expansion in the crude oil, product and chemical tanker sectors. Accordingly, our growth depends on continued growth in world and regional demand for crude oil, refined petroleum (clean and dirty) products and bulk liquid chemicals and the transportation of such cargoes by sea, which could be negatively affected by a number of factors, including:

- the economic and financial developments globally, including actual and projected global economic growth;
- fluctuations in the actual or projected price of crude oil, refined petroleum products or bulk liquid chemicals;
- refining or production capacity and its geographical location;
- increases in the production of oil in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, or the conversion of existing non-oil pipelines to oil pipelines in those markets;
- decreases in the consumption of oil due to increases in its price relative to other energy sources, other factors making consumption of oil less attractive or energy conservation measures or pollution reduction measures or those intended to reduce global warming;
- availability of new, alternative energy sources; and
- negative or deteriorating global or regional economic or political conditions or health conditions (including changes to trade policies, decreases or withdrawals of stimulus measures meant to counteract the effect of economic or health or other crises, wars or other conflicts and any resulting sanctions), particularly in oil-consuming or producing regions, which could reduce energy consumption or its growth or affect trading patterns negatively.

The refining and chemical industries may respond to any economic downturn and demand weakness by reducing operating rates, partially or completely reducing crude oil production, closing refineries or bulk liquid chemical production facilities and by reducing or cancelling certain investment expansion plans, including plans for additional crude oil production, refining or finished product or chemical production capacity. Continued reduced demand for crude, refined petroleum products and bulk liquid chemicals and the shipping of such cargoes or the increased availability of pipelines used to transport crude, refined petroleum products, and bulk liquid chemicals would have a material adverse effect on our future growth and could harm our business, results of operations and financial condition.

We conduct a substantial amount of business in China. The legal system in China has inherent uncertainties that could limit the legal protections available to us and could have a material adverse impact on our business, results of operations, financial condition and cash flows.

Many of our vessels regularly call to ports in China and we may enter into sale and leaseback transactions with Chinese financial institutions. Although our charters and sale and leaseback agreements are governed by English law, we may have difficulties enforcing a judgment rendered by an English court (or other non-Chinese court) in China. Such charters and any additional agreements that we enter into with Chinese counterparties, may be subject to new regulations in China that may require us to incur new or additional compliance or other administrative costs and pay new taxes or other fees to the Chinese government. Changes in laws and regulations, including with regards to tax matters, and their implementation by local authorities could affect our vessels chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

An oversupply of vessel capacity may depress charter rates, which may affect our ability to operate our vessels profitably.

The market supply of drybulk carriers has been increasing as a result of the delivery of numerous newbuilding orders over the last few years. Newbuildings have been delivered in significant numbers over the last few years and, as of March 2024, newbuilding orders had been placed for an aggregate of about 9% of the existing global drybulk fleet, with deliveries expected during the next three years. That is close to the all-time low of 7% recorded in February 2021 (on records dated from January 1996), but there is no guarantee that the orderbook will continue at these low levels in the future. While vessel supply will continue to be affected by the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or accidental losses, an over-supply of drybulk carrier capacity could exacerbate decreases in charter rates or prolong the period during which low charter rates prevail which may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay distributions.

From 2005 through 2010, the containership orderbook was at historically high levels as a percentage of the in-water fleet reaching a high of 61% in November 2007, according to industry data. Since that time, deliveries of previously ordered containerships increased substantially and ordering momentum slowed somewhat with the total orderbook declining as a percentage of the existing fleet to an all-time low of 8% as of October 2020, but has since increased to 23% as of March 2024 falling from its most recent high of 30% in November 2022. The orderbook remains significantly skewed towards vessels over 8,000 TEU. An oversupply of large newbuilding vessel and/or re-chartered containership capacity entering the market, combined with any decline in the demand for containerships, may prolong or further depress current charter rates and may decrease our ability to charter our containerships when we are seeking new or replacement charters other than for unprofitable or reduced rates, or we may not be able to charter our containerships at all.

Similarly the market supply of tankers has been increasing as a result of the delivery of numerous newbuilding orders over the last few years; however the percentage of the total tanker fleet on order as a percent of the total fleet declined from 20% at the start of 2016 to 4% at the beginning of February 2023 but has since increased and stood at 8% as of March 2024. From 2004 through 2010, the tanker orderbook was at historically high levels as a percentage of the in-water fleet reaching a high of 48% in September 2008, according to industry data. Since that time, deliveries of previously ordered tankers increased substantially and ordering momentum slowed with the total orderbook declining as a percentage of the existing fleet to an all-time low of 4% in February 2023. An oversupply of newbuilding vessels entering the market, combined with any decline in the demand for crude or product tankers, may prolong or further depress current charter rates and may decrease our ability to charter our tankers when we are seeking new or replacement charters other than for unprofitable or reduced rates, or we may not be able to charter our tankers at all.

Fuel price fluctuations may have an adverse effect on our profits.

The cost of fuel is a significant factor in negotiating charter rates and can affect us in both direct and indirect ways. This cost will be borne by us when our vessels are not employed or are employed on voyage charters or contracts of affreightment so an increase in the price of fuel beyond our expectations may adversely affect our profitability. Even where the cost of fuel is borne by the charterer, which is the case with all of our existing time charters that cost may affect the level of charter rates that charterers are prepared to pay. Rising costs of fuel for any reason or as occurred following the Russian invasion of Ukraine in February 2022 will make our older and less fuel efficient vessels less competitive compared to the more fuel efficient newer vessels or compared with vessels which can utilize less expensive fuel and may reduce their charter hire, limit their employment opportunities and force us to employ them at a discount compared to the charter rates commanded by more fuel efficient vessels or not at all.

Falling costs of fuel may lead our charterers to abandon slow steaming, thereby releasing additional capacity into the market and exerting downward pressure on charter rates or may lead our charterers to employ older, less fuel efficient vessels which may drive down charter rates and make it more difficult for us to secure employment for our newer vessels.

The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geo-political developments, supply and demand for oil, actions by members of the Organization of the Petroleum Exporting Countries and other oil and gas producers, economic or other sanctions levied against oil and gas producing countries, war and unrest generally and in oil producing countries and regions, regional production patterns and environmental concerns and regulations. These changes in fuel prices may cause us, depending on the terms of existing charters, to pay additional costs for the fuel on board when our ships are redelivered to us which may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay distributions.

We are subject to various laws, regulations, and international conventions, particularly environmental and safety laws, that could require significant expenditures both to maintain compliance with such laws and to pay for any uninsured environmental liabilities, including any resulting from a spill or other environmental incident.

Vessel owners and operators are subject to government regulation in the form of international conventions, and national, state, and local laws and regulations in the jurisdictions in which their vessels operate, or are registered, which also apply in international waters. Such laws and regulations include those governing the management and disposal of hazardous substances and wastes, ship recycling, the cleanup of oil spills and other contamination, air emissions, discharges of operational and other wastes into the water, and ballast water management. Compliance with these laws, particularly those relating to ballast water management and air emissions requires us to incur costs relating to the installation of certain equipment on our vessels and operational costs. Such investments or operational costs may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Port State regulation significantly affects the operation of vessels, as it commonly is more stringent than international rules and standards. This is particularly true in the United States, Europe and Australia. Non-compliance with Port State laws and regulations can give rise to civil or criminal liability, and/or vessel delays and detentions.

Our vessels are subject to scheduled and unscheduled inspections by regulatory and enforcement authorities, as well as private maritime industry entities. This includes inspections by Port State control authorities, including the U.S. Coast Guard, harbor masters or equivalent entities, classification societies, flag Administrations (i.e., the regulatory authority in the country in which the vessel is registered), charterers, and terminal operators. Certain of these entities require vessel owners to obtain permits, licenses, and certificates for the operation of their vessels. Failure to maintain necessary permits or approvals could limit our ability to do business, result in the imposition of substantial penalties which could increase the cost of doing business, or require a vessel owner to incur substantial costs or temporarily suspend operation of one or more of its vessels. Failure to maintain necessary permits or approvals could result in the imposition of substantial penalties or require a vessel owner to incur substantial costs or temporarily suspend operation of one or more of its vessels.

Heightened levels of environmental and quality concerns among insurance underwriters, regulators, and charterers continue to lead to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns and regulations have created a demand for vessels that conform to stricter environmental standards. Vessel owners are required to maintain operating standards for all vessels that emphasize operational safety, quality maintenance, continuous training of officers and crews, and compliance with U.S. and international regulations.

The legal requirements and maritime industry standards to which we and our vessels are subject, along with the risks associated therewith, are set forth below. We may be required to make substantial capital and other expenditures to ensure that we remain in compliance with these requirements and standards, as well as with standards imposed by our customers. Such costs can include ship modifications and changes in operating procedures. We also maintain insurance coverage against pollution liability risks for all of our vessels in the amount of $1.0 billion in the aggregate for any one event. The insured risks include penalties and fines, as well as civil liabilities and expenses resulting from accidental pollution. However, this insurance coverage is subject to exclusions, deductibles, and other terms and conditions. In addition, claims relating to pollution incidents for international or knowing violations of U.S. environmental laws or the International Convention for the Prevention of Pollution from Ships (MARPOL) may be considered by our protection and indemnity associations on a discretionary basis only. If any liabilities or expenses fall within an exclusion from coverage, or if damages from a catastrophic incident exceed the aggregate liability of $1.0 billion for any one event, our cash flow, profitability and financial position could be adversely impacted.

Because international conventions, laws, regulations, and other requirements are often revised, we cannot predict the ultimate cost of compliance or the impact on the fair market price or useful life of our vessels, nor can we assure that our vessels will be able to attain and maintain certifications of compliance with various regulatory requirements.

We expect, governmental regulation of the shipping industry to become stricter, particularly in the areas of safety and environmental requirements. Heightened environmental, safety, quality, and security concerns of insurance underwriters, regulators, and charterers may lead to additional requirements, including enhanced risk assessment and security requirements, greater inspection and safety requirements, and heightened due diligence obligations. We also may be required to take certain of our vessels out of service for extended periods of time to address changing legal requirements, which would result in lost revenue. In the future, market conditions may not justify these expenditures or enable us to operate our vessels, particularly older vessels, profitably during the remainder of their economic lives. This could lead to significant asset write-downs.

Specific examples of expected changes that could have a significant, and potentially material, impact on our business include:

- Further limitations on sulfur oxide and nitrogen oxide emissions from ships could cause increased demand and higher prices for low sulfur fuel due to supply constraints, as well as significant cost increases due to the implementation of measures such as fuel switching, vessel modifications such as adding distillate fuel storage capacity, or installation of exhaust gas cleaning systems or other devices;

- Environmental requirements could affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, vessel modifications or operational changes or restrictions, lead to decreased availability of, or more costly insurance coverage for, environmental matters or result in the denial of access to certain jurisdictional waters or ports.

- Under local and national laws, as well as international conventions, we could incur material liabilities, including cleanup obligations and claims for natural resource damages, personal injury and/or property damages in the event that there is a release of petroleum or other hazardous materials from our vessels or otherwise in connection with our operations, or a casualty resulting in personal injury or death of crew members or other persons.

Climate change and government laws and regulations related to climate change could negatively impact our financial condition.

We are and will be, directly and indirectly, subject to the effects of climate change and may, directly or indirectly, be affected by local and national laws, as well as international treaties and conventions, and implementing regulations related to climate change. Any passage of climate control treaties, legislation, or other regulatory initiatives by the IMO, the European Union, the United States or other countries where we operate that restrict emissions of greenhouse gases ("GHGs") could require us to make significant financial expenditures that we cannot predict with certainty at this time. This could include, for example, the adoption of regulatory frameworks to reduce GHG emissions, such as carbon dioxide, methane and nitrogen oxides. The climate change efforts undertaken to date are detailed below.

We cannot predict with any degree of certainty what effect, if any, possible climate change and legal requirements relating to climate change will have on our operations. However, we believe that climate change, including the possible increases in severe weather events, and legal requirements relating to climate change may affect, directly or indirectly, (i) the cost of the vessels we may acquire in the future, (ii) our ability to continue to operate as we have in the past, (iii) the cost of operating our vessels, and (iv) insurance premiums and deductibles, and the availability of insurance coverage. As a result, our financial condition could be materially impacted by climate change and related legal requirements.

We are subject to vessel security regulations and we incur costs to comply with adopted regulations. We may be subject to costs to comply with similar regulations that may be adopted in the future in response to terrorism.

We are subject to local and national laws, including in the United States, as well as international treaties and conventions, intended to enhance and ensure vessel security. The Managers have and will continue to implement the various security measures addressed by all applicable laws and will take measures for our vessels or vessels that we charter to attain compliance with all applicable security requirements within the prescribed time periods. Although we do not believe that these additional requirements will have a material financial impact on our operations, there can be no assurance that there will not be an interruption in operations to bring vessels into compliance with the applicable requirements and any such interruption could cause a decrease in charter revenues. Furthermore, additional security measures could be required in the future that could have significant financial impact on us.

Changing laws and evolving reporting requirements could have an adverse effect on our business, including the Environmental, Social and Governance ("ESG") disclosure rules in the U.S. and European Union.

Changing laws, regulations and standards relating to regular reporting requirements, as adopted by the SEC and/or the European Union, including in relation to General Data Protection Regulation ("GDPR"), GHG, ESG and additional climate disclosure rules, along with long-anticipated ESG reporting rules which have been issued in 2023 and 2024, may create additional compliance requirements for us. We may receive pressure from investors, lenders and other market participants, who are focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. To maintain high standards of corporate governance and public disclosure, we have invested in, and intend to continue to invest in, reasonably necessary resources to comply with evolving standards.

Last year, during COP28, the White House unveiled the first-ever U.S. Ocean Justice Strategy. The initiative is aimed at integrating principles of equity and environmental justice for communities that rely on the ocean for economic, cultural, spiritual, recreational and food security purposes. The three key aims are to embed Ocean Justice into all federal activities, including funding processes and budget development. Second, develop a diverse, equitable, inclusive, and accessible federal ocean workforce and third, enhance ocean justice through education, data, and knowledge.

Companies that do not adapt to, or comply with, investor, lender, or other industry shareholder expectations and standards which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from litigation risk or reputational damage and the business, financial condition, and/or stock price of such a accompany could be materially and adversely affected.

Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the EU, the UK and other jurisdictions/authorities.

Our international operations and activities could expose us to risks associated with trade and economic sanctions, prohibitions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the EU (and its member countries) and the UK.

Under economic and trade sanctions laws, governments may seek to impose or modify existing prohibitions/restrictions on business practices and activities, which require modifications to compliance programs, which may increase compliance costs, and, in the event of a violation, may subject us to fines and other penalties and result in us being excluded or restricted in our access to international banking and finance markets. Action may also be taken against individuals if they act in a manner which breaches sanctions applicable to them. Considering U.S., EU and UK sanctions (the latter because the law of England & Wales frequently governs relations with our contractual counterparts and applies to our UK based insurers and reinsurers) and the nature of our business, there is a constant sanctions-related risk for us due to the worldwide trade of our vessels and the wide-ranging nationality of our counterparties. We seek to reduce the risk of violating economic sanctions and ensure our compliance with all applicable sanctions and embargo laws and regulations by the implementation of our corporate Economic Sanctions Compliance Policy and Procedures which we seek to diligently follow.

Although we intend to maintain such Economic Sanctions Compliance Policy and Procedures, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws and regulations may be unclear and may be subject to changing interpretations by relevant authorities, and the underlying laws and regulations may change. Moreover, despite, for example, relevant provisions in charter parties forbidding the use of our vessels in trade that would or may violate economic sanctions, our charterers may nevertheless violate applicable sanctions and embargo laws and regulations and those violations could in turn negatively affect our reputation with any breaches imputed to us.

We continually monitor developments in the United States, the EU, UK and other jurisdictions that maintain economic sanctions against various countries and regions including, Iran, Russia, Crimea, Venezuela, and other sanctions targets, including guidance on the implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries and persons subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling in ports in sanctioned countries, being chartered to certain parties or for certain trade, or could restrict the cargoes carried onboard our vessels.

In addition, given our relationship with Navios Holdings (previously listed on the NYSE) we cannot give any assurance that an adverse finding against them or their affiliates or subsidiaries by a governmental, legal, or other authority, with respect to sanctions matters, or any future matter related to regulatory compliance by Navios Holdings, would not have a material adverse impact on our business, reputation or the market price of our securities.

If any of the risks described herein materializes, it could have a material adverse impact on our business and results of operations.

For a description of the economic and trade sanctions and other compliance requirements under which we operate please see “Item 4. Information on the Partnership – B. Business Overview - Economic Sanctions and Compliance”

We could be materially adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and anti-corruption laws in other applicable jurisdictions.

As an international shipping company, we may operate in countries known to have a reputation for corruption. The U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”) and other anti-corruption laws and regulations in applicable jurisdictions generally prohibit companies registered with the SEC and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Under the FCPA, U.S. companies may be held liable for some actions taken by strategic or local partners or representatives.

Legislation in other countries includes the U.K. Bribery Act 2010 (the “U.K. Bribery Act”) which is broader in scope than the FCPA because it does not contain an exception for facilitation payments. We and our customers may be subject to these and similar anti-corruption laws in other applicable jurisdictions. Failure to comply with legal requirements could expose us to civil and/or criminal penalties, including fines, prosecution and significant reputational damage, all of which could materially and adversely affect our business and the results of operations, including our relationships with our customers, and our financial results. Compliance with the FCPA, the U.K. Bribery Act and other applicable anti-corruption laws and related regulations and policies impose potentially significant costs and operational burdens on us. Moreover, the compliance and monitoring mechanisms that we have in place including our Code of Ethics and our anti-bribery and anti-corruption policy, may not adequately prevent or detect all possible violations under applicable anti-bribery and anti-corruption legislation.

The operation of ocean-going vessels entails the possibility of marine disasters including damage or destruction of the vessel due to accident, the loss of a vessel due to piracy or terrorism, damage or destruction of cargo and similar events that may cause a loss of revenue from affected vessels and damage our business reputation, which may in turn lead to loss of business.

The operation of ocean-going vessels in international trade is inherently risky. The ownership and operation of ocean-going vessels in international trade is affected by a number of inherent risks, including mechanical failure, personal injury, vessel and cargo loss or damage, business interruption due to political conditions in foreign countries, unexpected port closures, hostilities, piracy, terrorism, labor strikes and/or boycotts, adverse weather conditions and catastrophic marine disaster, including environmental accidents and collisions. All of these risks could result in liability, loss of revenues, increased costs and loss of reputation.

The operation of drybulk carriers has certain unique risks. With a drybulk carrier, the cargo itself and its interaction with the vessel can be an operational risk. By their nature, certain drybulk cargoes are often heavy, dense, easily shifted, and may react badly to water exposure. In addition, drybulk carriers are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the vessel. Vessels damaged due to harsh treatment during unloading procedures may be more susceptible to breach at sea. Hull breaches in drybulk carriers may lead to the flooding of the vessels’ holds. For example, if a drybulk carrier suffers flooding in its forward holds, the bulk cargo may become so dense and waterlogged that its pressure may buckle the vessel's bulkheads leading to the loss of a vessel. Damage and loss could also arise as a consequence of a failure in the services required to support the industry, for example, due to inadequate dredging. We have procedures and policies in place to ameliorate these risks, including a robust inspection system.

In addition, increased operational risks arise as a consequence of the complex nature of the crude oil, product and chemical tanker industry, the nature of services required to support the industry, including maintenance and repair services, and the mechanical complexity of the tankers themselves. Compared to other types of vessels, tankers are exposed to a higher risk of damage and loss by fire, whether ignited by a terrorist attack, collision or other cause, due to the high flammability and high volume of the oil transported in tankers. Damage and loss could also arise as a consequence of a failure in the services required to support the industry, for example, due to inadequate dredging. Inherent risks also arise due to the nature of the product transported by our vessels. Any damage to, or accident involving, our vessels while carrying crude oil could give rise to environmental damage or lead to other adverse consequences. Each of these inherent risks may also result in death or injury to persons, loss of revenues or property, higher insurance rates, damage to our customer relationships, delay or rerouting.

Similarly, the operation of containerships has certain unique risks. Containerized cargoes, which can be high value manufactured goods, dangerous cargoes or smaller quantity commodities, are sealed and locked in containers at the factory or port of origin. Some dangerous cargoes are either mis-declared or not declared at all posing a risk to the ship and other containerized cargo. Certain containerized cargoes are often loaded above the weather deck of a containership and although lashed in place in those above deck stacks, are subject to storms and heavy weather which may cause a container or group of containers to damage the containership if they fall or get thrown overboard. In additional the cargo in each container can be improperly stowed causing the cargo to shift or to self ignite or explode, which may damage the vessel. Certain containers are built with refrigeration units which are powered by electrical generators onboard the containership. Should those refrigeration units fail, they could cause damage to the containership due to fires caused by electrical faults or by raising the temperature of a cargo that needed to be kept below a certain threshold. Other cargo can be carried uncontainerized in so-called “flat racks” generally above the weather deck, which can pose a risk to the vessel or other cargo in a storm or if improperly stowed on the flat rack. Any loss of cargo, which may be covered by insurance, does expose the shipowner to potential monetary and reputational costs. Damage and loss could also arise as a consequence of a collision or grounding or a failure in the services required to support the industry, for example, due to inadequate dredging or icing in the harbors. We have procedures and policies in place to ameliorate these risks, including a robust inspection system during each cargo operation.

Any of these circumstances or events could substantially increase our costs. For example, the costs of replacing a vessel or cleaning up environmental damage could substantially lower our revenues by taking vessels out of operation permanently or for periods of time. Furthermore, the involvement of our vessels in a disaster or delays in delivery, damage or the loss of cargo may harm our reputation as a safe and reliable vessel operator and cause us to lose business. Our vessels could be arrested by maritime claimants, which could result in the interruption of business and decrease revenue and lower profitability.

Some of these inherent risks could result in significant damage, such as marine disaster or environmental incidents, and any resulting legal proceedings may be complex, lengthy, costly and, if decided against us, any of these proceedings or other proceedings involving similar claims or claims for substantial damages may harm our reputation and have a material adverse effect on our business, results of operations, cash flow and financial position. In addition, the legal systems and law enforcement mechanisms in certain countries in which we operate may expose us to risk and uncertainty. Further, we may be required to devote substantial time and cost defending these proceedings, which could divert attention from management of our business. Acts of piracy have historically affected ocean-going vessels trading in certain regions of the world, such as the South China Sea and the Gulf of Aden off the coast of Somalia. Piracy continues to occur in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea. Other areas where piracy has affected shipping include the Indian Ocean, the Strait of Malacca, the Arabian Sea, and the Mozambique Channel.

Acts of piracy are a material risk to the shipping industry. Our vessels regularly travel through regions where pirates are active. Piracy attacks have resulted in certain regions being characterized by insurers as “war risk” zones or Joint War Committee “war and strikes” listed areas.

Premiums payable for insurance coverage could increase significantly and insurance coverage may be more difficult to obtain. Crew costs, including those due to employing onboard security guards, could increase in such circumstances. While the use of security guards is intended to deter and prevent the hijacking of our vessels, it could also increase our risk of liability for death or injury to persons or damage to personal property. In addition, while we believe the charterer remains liable for charter payments when a vessel is seized by pirates, the charterer may dispute this and withhold charter hire until the vessel is released. Although we insure against these losses to the extent practicable, the risk remains of uninsured losses which could significantly affect our business. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard. A number of flag states have signed the 2009 New York Declaration, which expresses commitment to Best Management Practices in relation to piracy and calls for compliance with them as an essential part of compliance with the ISPS Code. A charterer may also claim that a vessel seized by pirates was not “on-hire” for a certain number of days and it is therefore entitled to cancel the charter party, a claim that we would dispute. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us, our results of operations, financial condition and ability to pay distributions. In addition, detention hijacking as a result of an act of piracy against our vessels, an increase in cost, or unavailability of insurance for our vessels, could have a material adverse impact on our business, financial condition, results of operations and cash flows. Acts of piracy on ocean-going vessels could adversely affect our business and operations.

The total loss or damage of any of our vessels or cargoes could harm our reputation as a safe and reliable vessel owner and operator. Any extended vessel off-hire, due to an accident or otherwise, or strikes, could have a materially adverse effect on our business. If we are unable to adequately maintain or safeguard our vessels, we may be unable to prevent any such damage, costs, or loss that could negatively impact our business, financial condition, results of operations, cash flows and ability to pay distributions.

Maritime claimants could arrest or attach one or more of our vessels, which could interrupt our cash flow.

Crew members, tort claimants, claimants for breach of certain maritime contracts, vessel mortgages, suppliers of goods and services to a vessel, shippers or receivers of cargo, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages, including, in some jurisdictions, for debts incurred by previous owners. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel. The arrest or attachment of one or more of our vessels, if such arrest or attachment is not timely discharged, could cause us to default on a charter or breach covenants in certain of our credit facilities and certain financial liabilities, could interrupt our cash flow and require us to pay large sums of money to have the arrest or attachment lifted. Any of these occurrences could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

In addition, in some jurisdictions, such as South Africa, under the "sister ship" theory of liability, a claimant may arrest both the vessel which is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister ship" liability against one vessel in our fleet for claims relating to another vessel in the fleet.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

Our vessels may call in ports where smugglers may attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face reputational damage and governmental or other regulatory claims or penalties, which could have an adverse effect on our business, results of operations, cash flows, financial condition, as well as our cash flows, including cash available for distributions to our unitholders. Under some jurisdictions, vessels used for the conveyance of illegal drugs could result in forfeiture of the vessel to the government of such jurisdiction.

A failure to pass inspection by classification societies could result in one or more vessels being unemployable unless and until they pass inspection, resulting in a loss of revenues from such vessels for that period and a corresponding decrease in operating cash flows.

The hull and machinery of every commercial vessel must be inspected and approved by a classification society authorized by its country of registry. The classification society certifies that a vessel has been built and maintained, is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and with SOLAS (as defined below). Our owned fleet is currently classed by American Bureau of Shipping, Nippon Kaiji Kiokai, Bureau Veritas, DNVGL, and Lloyd's Register.

A vessel must undergo an annual survey, an intermediate survey and a special survey. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be drydocked every two to three years for inspection of the underwater parts of such vessel.

If vessel fails any annual survey, intermediate survey or special survey, the vessel may be unable to trade between ports and, therefore, would be unemployable, potentially causing a negative impact on our revenues due to the loss of revenues from such vessel until she is able to trade again. Further, if any vessel fails a classification survey and the condition giving rise to the failure is not cured within a reasonable time, the vessel may lose coverage under various insurance programs, including hull and machinery insurance and/or protection and indemnity insurance, which would result in a breach of relevant covenants under our financing arrangements. Failure to maintain the class of one or more of our vessels could have a material adverse effect on our financial condition and results of operations, as well as our cash flows.

Disruptions in global financial markets, terrorist attacks, regional armed conflicts, general political unrest, economic crisis, the emergence of a pandemic crisis and the resulting governmental action could have a material adverse impact on our results of operations, financial condition and cash flows.

The global economy remains subdued, especially when compared to the period prior to the 2008-2009 financial crisis. The current global recovery is proceeding at varying speeds across regions and is still subject to downside economic risks stemming from factors like terrorist attacks in certain parts of the world and the continuing response of the United States and other countries to these attacks, the threat of future terrorist attacks, the continuing refugee crisis in the European Union, the war in and the general political unrest in Ukraine, the wars in Syria and Gaza and the presence of terrorist organizations in the Middle East, conflicts and turmoil in Yemen, Iraq, Afghanistan and Iran, political tension, continuing concerns related to Brexit, concerns regarding epidemics and pandemics and other viral outbreaks or conflicts in the Asia Pacific Region have all led to increased volatility in global credit and equity markets and continue to cause uncertainty and volatility in the world financial markets, which may in turn affect our business, results of operations and financial conditions.

Furthermore, our operations may be adversely affected by changing or adverse political and governmental conditions in the countries where our vessels are flagged or registered and in the regions where we otherwise engage in business. Any disruption caused by these factors may interfere with the operation of our vessels, which could harm our business, financial condition and results of operations. Our operations may also be adversely affected by expropriation of vessels, taxes, regulation, tariffs, trade embargoes, economic sanctions or a disruption of or limit to trading activities, or other adverse events or circumstances in or affecting the countries and regions where we operate or where we may operate in the future. Adverse economic, political, social or other developments can decrease demand and prospects for growth in the shipping industry and thereby could reduce revenue significantly.

We may also experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under our committed term loans in the future, if our lenders are unwilling to extend financing to us or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. We may experience higher interest rates due to governments' efforts to fight inflation or other reasons which, due to floating rate obligations in some of our financial facilities, may cause our costs to rise which may in turn affect our business, results of operations and financial conditions or may make refinancing or new financing facilities difficult to obtain. We cannot be certain that financing will be available on acceptable terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our future obligations as they come due. Our failure to obtain such funds could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders. In the absence of available financing, we also may be unable to take advantage of business opportunities or respond to competitive pressures.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

A government of the jurisdiction where one or more of our vessels are registered could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we may be entitled to compensation in the event of a requisition of one or more of our vessels the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may cause us to breach covenants in certain of our credit facilities and certain financial liabilities, and could have a material adverse effect on our business, financial condition, and results of operations, as well as our cash flows, including cash available for distributions to our unitholders.

Risks Relating to Our Indebtedness

We may be unable to obtain additional financing and our debt levels may limit our ability to do so and pursue other business opportunities, and our interest rates under our financing arrangements may fluctuate and may impact our operations.

As of December 31, 2023, our total borrowings amounted to $1,879.0 million. We have the ability to incur additional debt, subject to limitations in our financing arrangements. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

- we may need to use a substantial portion of our cash from operations to make principal and interest payments on our debt, reducing the funds that would otherwise be available for operations, future business opportunities, distributions to unitholders;

- our debt level could make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and

- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to borrow against the ships in our existing fleet and any ships we may acquire in the future largely depends on the existence of time charter employment of the ship and on the value of the ships, which in turn depends in part on charter hire rates and the creditworthiness of our charterers. The actual or perceived credit quality of our charterers, any defaults by them, any decline in the market value of our fleet and a lack of long-term employment of our ships may materially affect our ability to obtain the additional capital resources that we will require to purchase additional vessels or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing or committing to financing on unattractive terms could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

Our ability to service our debt depends upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. Our ability to service debt under our financing arrangements also will depend on market interest rates, since the interest rates applicable to our borrowings will fluctuate with the SOFR. We do not currently hedge against increases in such rates and, accordingly, significant increases in such rate would require increased debt levels and reduce distributable cash. We may not be able to refinance all or part of our maturing debt on favorable terms, or at all.

If our operating income is not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or discontinuing distributions, reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms, or at all.

We are exposed to volatility in interest rates, including SOFR.

Loans advanced under our financing arrangements are, currently, advanced at a floating rate based on SOFR. Interest rates, which after a long period of relative stability at historically low levels, have been increasing and have been volatile, which can affect the amount of interest payable on our debt, and which, in turn, could have an adverse effect on our earnings and cash flow.

We do not currently have any interest rate swap arrangements. In the past, however, we have entered into interest rate swaps and may do so again in the future. Our financial condition could be materially adversely affected as a result of not entering into interest rate hedging arrangements to hedge our interest rate exposure if the interest rates applicable to our financing arrangements (and any other financing arrangements we may enter into in the future) increases. Even if we enter into interest rate swaps or other derivative instruments for purposes of managing our interest rate, our hedging strategies may not be effective or have the desired impact on our financial conditions or results of operations as we may not effectively manage our interest rate exposure and may incur substantial losses, which could result in higher than market interest rates and charges against our income.

Our credit facilities and certain financial liabilities contain restrictive covenants, which may limit our business and financing activities and may prevent us from paying distributions to unitholders, if our board of directors determines to do so again in the future.

As of December 31, 2023, the outstanding balance under Navios Partners' total borrowings, net of deferred finance costs, was $1,861.5 million.

The operating and financial restrictions and covenants in our credit facilities and certain financial liabilities and any future credit facilities and financial liabilities could adversely affect our ability to finance future operations or capital needs to engage, expand or pursue our business activities and reduce cash available for distribution on our common units. For example, our credit facilities and certain financial liabilities require the consent of our lenders or limit our ability to (among other things):

- incur or guarantee indebtedness;
- charge, pledge or encumber the vessels;
- merge or consolidate;
- change the flag, class or commercial and technical management of our vessels;
- make cash distributions;
- make new investments; and
- sell or change the ownership or control of our vessels.

Our financing arrangements also require us to comply with the International Safety Management Code (the "ISM Code"), and the ISPS Code and to maintain valid safety management certificates and documents of compliance at all times.

The Company's credit facilities and certain financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a required security ranging over 110% to 140%; (ii) minimum free consolidated liquidity in an amount equal to $500 per owned vessel and a number of vessels as defined in the Company's credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company's credit facilities and financial liabilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth of $135.0 million.

It is an event of default under the credit facilities and certain financial liabilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

In addition, our credit facilities and certain financial liabilities prohibit the payment of distributions if we are not in compliance with certain financial covenants or upon the occurrence of an event of default.

Events of default under our credit facilities and certain financial liabilities include, among other things, the following:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness;
- an event of insolvency or bankruptcy;
- material adverse change in the financial position or prospects of us or our general partner;
- failure of any representation or warranty to be materially correct; and
- failure of Navios Holdings, Angeliki Frangou, or their affiliates (as defined in the financing agreements) to own at least 5% of us.

Our ability to comply with the covenants and restrictions that are contained in our credit facilities and certain financial liabilities and any other debt instruments we may enter into in the future may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. If we are in breach of any of the restrictions, covenants, ratios or tests in our credit facilities and certain financial liabilities, especially if we trigger a cross default currently contained in certain of our loan agreements, a significant portion of our obligations may become immediately due and payable, and our lenders' commitment to make further loans to us may terminate. We may not have, or be able to obtain, sufficient funds to make these accelerated payments. In addition, our obligations under our credit facilities are secured by certain of our vessels, and if we are unable to repay borrowings under such credit facilities, lenders could seek to foreclose on those vessels. We anticipate that any subsequent refinancing of our current debt or any new debt will have similar restrictions.

Risks Relating to Our Units

Our board of directors may not declare cash distributions in the foreseeable future.

The declaration and payment of cash distributions, if any, will always be subject to the discretion of our board of directors, restrictions contained in our financing arrangements and the requirements of Marshall Islands law. The timing and amount of any cash distributions declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, our ability to obtain debt and equity financing on acceptable terms as contemplated by our growth strategy, the terms of our outstanding indebtedness and the ability of our subsidiaries to distribute funds to us.

The Dry Cargo and tankers sector of the shipping industry is highly volatile, and we cannot predict with certainty the amount of cash, if any, that will be available for distribution as cash distributions in any period. Also, there may be a high degree of variability from period to period in the amount of cash that is available for the payment of cash distributions.

We may not have sufficient cash available to pay quarterly distributions or to maintain or increase distributions following the establishment of cash reserves and payment of fees and expenses. In February 2016, we announced that our board of directors decided to suspend the quarterly cash distributions to our unitholders, including the distribution for the quarter ended December 31, 2015, in order to conserve cash and improve our liquidity. In March 2018, our board of directors determined to reinstate a distribution and any continued distribution will be at the discretion of our board of directors. The amount of cash we can distribute on our common units depends principally upon the amount of cash we generate from our operations, which may fluctuate based on numerous factors including, those set forth elsewhere in this section.

The actual amount of cash we will have available for distribution also will depend on other factors, some of which are beyond our control, such as the level of capital expenditures we make (including those associated with maintaining vessels, building new vessels, acquiring existing vessels and complying with regulations), our debt service requirements and restrictions on distributions contained in our debt instruments, interest rate fluctuations, the cost of acquisitions, if any, fluctuations in our working capital needs, our ability to make working capital borrowings, and the amount of any cash reserves, including reserves for future maintenance and replacement capital expenditures, working capital and other matters, established by our board of directors in its discretion.

In addition, the amount of cash we generate from our operations may differ materially from our profit or loss for the period, which will be affected by non-cash items. As a result of this and the other factors mentioned above, we may make cash distributions during periods when we record losses and may not make cash distributions during periods when we record net income.

Any dividend payments on our common units would be declared in U.S. dollars, and any unit holder whose principal currency is not the U.S. dollar would be subject to risks of exchange rate fluctuations.

Our common units, and any cash dividends or other distributions to be declared in respect of them, if any, will be denominated in U.S. dollars. Unitholders whose principal currency is not the U.S. dollar will be exposed to foreign currency exchange rate risk. Any depreciation of the U.S. dollar in relation to such foreign currency will reduce the value of such unitholders' units and any appreciation of the U.S. dollar will increase the value in foreign currency terms. In addition, we will not offer our unitholders the option to elect to receive dividends, if any, in any other currency. Consequently, unitholders may be required to arrange their own foreign currency exchange, either through a brokerage house or otherwise, which could incur additional commissions or expenses.

The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions.

Our securities are listed on the New York Stock Exchange (the "NYSE"), a national securities exchange. The NYSE minimum listing standards, require that we meet certain requirements relating to stockholders' equity, number of round-lot holders, market capitalization, aggregate market value of publicly held shares and distribution requirements.

If NYSE delists our securities from trading on its exchange, we could face significant material adverse consequences, including limited availability of market quotations for our securities, limited amount of news and analyst coverage for us, decreased ability for us to issue additional securities or obtain additional financing in the future, limited liquidity for our unitholders and the loss of our tax exemption under Section 883 of the Internal Revenue Code of 1986, as amended (the "Code"), loss of preferential capital gain tax rates for certain dividends received by certain non-corporate U.S. holders, and loss of "mark-to-market" election by U.S. holders in the event we are treated as a passive foreign investment company ("PFIC").

The price of our common units may be volatile.

The price of our common units may be volatile and may fluctuate due to various factors including:

- actual or anticipated fluctuations in quarterly and annual results;
- fluctuations in the seaborne transportation industry, including fluctuations in the containership market;
- our making of distributions;
- mergers and strategic alliances in the shipping industry;
- changes in governmental regulations or maritime self-regulatory organization standards;
- shortfalls in our operating results from levels forecasted by securities analysts;
- announcements concerning us or our competitors;
- general economic conditions, including the impact of the Russian/Ukrainian conflict, the Israeli/Gaza conflicts, the attacks in the Red Sea and in the Gulf of Aden;

- terrorist acts;
- future sales of our common units or other securities;
- investors' perceptions of us and the international container shipping industry;
- the general state of the securities markets; and
- other developments affecting us, our industry or our competitors.

The shipping industry has been highly unpredictable and volatile. Securities markets worldwide are experiencing significant price and volume fluctuations. The market price for our securities may also be volatile. This market volatility, as well as general economic, market or political conditions, could reduce the market price of our securities in spite of our operating performance. Consequently, you may not be able to sell our securities at prices equal to or greater than those at which you pay or paid.

Increases in interest rates may cause the market price of our common units to decline.

An increase in interest rates may cause a corresponding decline in demand for equity investments in general and in particular for yield-based equity investments such as our common units. Any such increase in interest rates or reduction in demand for our common units resulting from other relatively more attractive investment opportunities may cause the trading price of our common units to decline. In addition, our interest expense will increase, since the majority of our debt will bear interest at a floating rate, subject to any interest rate swaps we may enter into the future.

Substantial future issuance and sale of our common units in the public market, including through our continuous offering sales program, could cause the price of our common units to fall, and would dilute your ownership interests.

In order to raise additional capital, we may in the future offer additional common units or other securities convertible into or exchangeable for our common units, including convertible debt. We have in the past entered into Continuous Offering Program Sales Agreement and performed equity raises. Whether we choose to affect future sales under continuous offering programs or through secondary offerings, will depend upon a variety of factors, including, among others, market conditions and the trading price of our common units relative to other sources of capital.

We cannot predict the size of future issuances or sales of our common units, including those made pursuant to the continuous offering program sales agreement or in connection with future acquisitions or capital activities, or the effect, if any, that such issuances or sales may have on the market price of our common units. The issuance and sale of substantial amounts of common units, including issuance and sales pursuant to the continuous offering program sales agreement, or announcement that such issuance and sales may occur, could adversely affect the market price of our common units, and decrease unitholders' proportionate ownership interest in us.

Unitholders may be liable for repayment of distributions.

Under some circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under the Marshall Islands Act, we may not make a distribution to unitholders if the distribution would cause our liabilities to exceed the fair value of our assets. Marshall Islands law provides that for a period of three years from the date of the impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Marshall Islands law will be liable to the limited partnership for the distribution amount.

Assignees who become substituted limited partners are liable for the obligations of the assignor to make contributions to the partnership that are known to the assignee at the time it became a limited partner and for unknown obligations if the liabilities could be determined from the partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

Common unitholders have limited voting rights and our partnership agreement restricts the voting rights of common unitholders owning more than 4.9% of our common units.

Holders of our common units have only limited voting rights on matters affecting our business. We hold a meeting of the limited partners every year to elect one or more members of our board of directors and to vote on any other matters that are properly brought before the meeting. Common unitholders may only elect four of the seven members of our board of directors. The elected directors are elected on a staggered basis and serve for three year terms. Our general partner in its sole discretion has the right to appoint the remaining three directors and to set the terms for which those directors will serve. The partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders' ability to influence the manner or direction of management. Unitholders will have no right to elect our general partner and our general partner may not be removed except by a vote of the holders of at least 66 2/3% of the outstanding units, including any units owned by our general partner and its affiliates, voting together as a single class.

Our partnership agreement further restricts common unitholders' voting rights by providing that if any person or group owns beneficially more than 4.9% of the common units then outstanding, any such common units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such common unitholders in excess of 4.9% will effectively be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected independent directors.

Risks Relating to Our Organizational Structure, Taxes and Other Legal Matters

In addition to the following risk factors, you should read the sections entitled "Material U.S. Federal Income Tax Considerations" and "Non-United States Tax Considerations" of this annual report for a more complete discussion of the expected material U.S. federal and non-U.S. income tax considerations relating to us and the ownership and disposition of common units.

Navios Holdings and their affiliates may compete with us.

Navios Partners has entered into an omnibus agreement with Navios Holdings (the "Omnibus Agreement") in connection with the closing of Navios Partners' initial public offering "IPO" governing, among other things, Navios Holdings and its controlled affiliates (other than us, our general partner and our subsidiaries) generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Holdings. The Omnibus Agreement, however, contains significant exceptions that allow Navios Holdings or any of its controlled affiliates to compete with us under specified circumstances which could harm our business.

We are a holding company and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations and to make distributions.

We are a holding company and our subsidiaries conduct all of our operations and own all of our operating assets, including our ships. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to pay our obligations and to make distributions depends entirely on our subsidiaries and their ability to distribute funds to us. The ability of a subsidiary to make these distributions could be affected by a claim or other action by a third party, including a creditor, or by the law of their respective jurisdiction of incorporation which regulates the payment of distributions. If we are unable to obtain funds from our subsidiaries, our Board of Directors may not exercise its discretion not to declare or make distributions.

We depend on the Managers to assist us in operating and expanding our business.

Pursuant to the Management Agreements between Navios Partners and the Manager, Navios Maritime Containers L.P. ("Navios Containers") and the Manager, and Navios Maritime Acquisition Corporation ("Navios Acquisition") and the Tankers Manager, the Managers provides to us significant commercial and technical management services (including the commercial and technical management of our vessels, vessel maintenance and crewing, purchasing and insurance and shipyard supervision). In addition, pursuant to the Administrative Services Agreement between us and the Manager, the Manager provides us administrative, financial and other support services. Our operational success and ability to execute our growth strategy will depend significantly upon the Managers' satisfactory performance of these services. Our business will be harmed if the Managers fail to perform these services satisfactorily, if the Managers cancel either of these agreements, or if the Managers stop providing these services to us.

Our ability to enter into new charters and expand our customer relationships will depend largely on the Managers and their reputation and relationships in the shipping industry. If the Managers suffers material damage to its reputation or relationships, it may harm our ability to:

- renew existing charters upon their expiration;
- obtain new charters;
- successfully interact with shipyards during periods of shipyard construction constraints;
- obtain financing on commercially acceptable terms; or
- maintain satisfactory relationships with suppliers and other third parties.

If our ability to do any of the things described above is impaired, it could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions and repurchases of common units.

The loss of key members of our senior management team could disrupt the management of our business.

We believe that our success depends on the continued contributions of the members of our senior management team, including our Chairwoman and Chief Executive Officer. The loss of the services of our Chairwoman and Chief Executive Officer or one of our other executive officers or senior management members could impair our ability to identify and secure new charter contracts, to maintain good customer relations and to otherwise manage our business, which could have a material adverse effect on our financial performance and our ability to compete.

The Managers may be unable to attract and retain qualified, skilled employees or crew necessary to operate our vessels and business or may have to pay increased costs for its employees and crew and other vessel operating costs.

Our success will depend in part on the Managers' ability to attract, hire, train and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract, hire, train and retain qualified crew members is intense, and crew manning costs continue to increase. If we are not able to increase our hire rates to compensate for any crew cost increases, our business, financial condition, results of operations and ability to make cash distributions to our unitholders may be adversely affected. Any inability we experience in the future to attract, hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business.

We may be subject to taxes, which may reduce our cash available for distribution to our unitholders.

We and our subsidiaries may be subject to tax in the jurisdictions in which we are organized or operate, reducing the amount of cash available for distribution. In computing our tax obligation in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities. We cannot assure you that upon review of these positions the applicable authorities will agree with our positions. A successful challenge by a tax authority could result in additional tax imposed on us or our subsidiaries, further reducing the cash available for distribution. In addition, changes in our operations or ownership could result in additional tax being imposed on us or our subsidiaries in jurisdictions in which operations are conducted.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state which is calculated on the basis of the relevant vessels' tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece. The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company, the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel outside Greece.

U.S. tax authorities could treat us as a "passive foreign investment company," which could have adverse U.S. federal income tax consequences to U.S. unitholders.

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a PFIC, for U.S. federal income tax purposes if either (1) at least 75.0% of its gross income for any taxable year consists of "passive income", or (2) at least 50.0% of the average value of the entity's assets produce or are held for the production of "passive income". For purposes of these tests, "passive income" generally includes dividends, interest, gains from the sale or exchange of investment property, and rents and royalties other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income". U.S. unitholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their units in the PFIC, as well as additional U.S. federal income tax filing obligations.

Based on our current and projected method of operation, and on opinion of counsel, we believe that we were not a PFIC for any taxable year, including our 2023 taxable year, and we expect that we will not become a PFIC in subsequent taxable years, although no assurance can be given in this regard. Our U.S. counsel, Thompson Hine LLP, is of the opinion that (1) the income we receive from time chartering activities and the assets we own that are engaged in generating such income should not be treated as passive income or assets, respectively, and (2) so long as our income from time charters exceeds 25.0% of our gross income from all sources for each taxable year after our initial taxable year and the fair market value of our vessels contracted under time charters exceeds 50.0% of the average fair market value of all of our assets for each taxable year after our initial taxable year, we should not be a PFIC for any taxable year. This opinion is based on representations and projections provided by us to our counsel regarding our assets, income and charters, and its validity is conditioned on the accuracy of such representations and projections. We expect that all of the vessels in our fleet will be engaged in time chartering activities and thus, for PFIC purposes, our income from those activities will be non-passive income and the vessels engaged in those activities will be non-passive assets. However, we cannot assure you that the method of our operations, or the nature or composition of our income or assets, will not change in the future and that we will not become a PFIC. Moreover, although there is legal authority for our position, there is also contrary authority and no assurance can be given that the Internal Revenue Service, or the IRS, will accept our position.

We may have to pay tax on U.S.-source income, which would reduce our earnings.

Under the Code, 50.0% of the gross transportation income of a vessel-owning or chartering corporation that is attributable to transportation that either begins or ends, but that does not both begin and end, in the United States is characterized as "U.S. Source International Transportation Income". U.S. Source International Transportation Income generally is subject to a 4.0% U.S. federal income tax without allowance for deduction or, if such U.S. Source International Transportation Income is effectively connected with the conduct of a trade or business in the United States, U.S. federal corporate income tax (presently imposed at a 21.0% rate) as well as a branch profits tax (presently imposed at a 30.0% rate on effectively connected earnings) apply, unless the non-U.S. corporation qualifies for exemption from tax under Section 883 of the Code.

Based on an opinion of counsel, and certain assumptions and representations, we believe that we have qualified for this statutory tax exemption, and we will take this position for U.S. federal income tax return reporting purposes for our 2023 taxable year. However, there are factual circumstances, including some that may be beyond our control that could cause us to lose the benefit of this tax exemption, including the delisting of our securities from quotation on the NYSE and thereby make us subject to U.S. federal income tax on our U.S. Source International Transportation Income. See "Risks Relating to Our Units-The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions". Furthermore, our board of directors could determine that it is in our best interests to take an action that would result in this tax exemption not applying to us in the future. In addition, our conclusion that we qualify for this exemption, as well as the conclusions in this regard of our counsel, Thompson Hine LLP, is based upon legal authorities that do not expressly contemplate an organizational structure such as ours; specifically, although we have elected to be treated as a corporation for U.S. federal income tax purposes, we are organized as a limited partnership under Marshall Islands law. As such, we are not subject to section 1446 as that section only applies to entities that for U.S. federal income tax purposes are characterized as partnerships. Therefore, we can give no assurances that the IRS will not take a different position regarding our qualification for this tax exemption.

If we were not entitled to the Section 883 exemption for any taxable year, we generally would be subject to a 4.0% U.S. federal gross income tax with respect to our U.S. Source International Transportation Income or, if such U.S. Source International Transportation Income were effectively connected with the conduct of a trade or business in the United States, U.S. federal corporate income tax as well as a branch profits tax for those years would apply. Our failure to qualify for the Section 883 exemption could have a negative effect on our business and would result in decreased earnings available for distribution to our unitholders.

Actions taken by holders of our common units could result in our (and certain of our non-U.S. subsidiaries) being treated as a "controlled foreign corporation," which could have adverse U.S. federal income tax consequences to certain U.S. holders.

Although we believe that Navios Partners was not a controlled foreign corporation (a "CFC") as of December 31, 2023, or at any time during 2023, tax rules enacted by the 2017 Tax Cuts and Jobs Act, including the imposition of so-called "downward attribution" for purposes of determining whether a non-U.S. corporation is a CFC, may result in Navios Partners being treated as a CFC for U.S. federal income tax purposes in the future, together with certain of its non-U.S. subsidiaries that are treated as a corporation for U.S. federal tax purposes (a "CFC Sub"). Through downward attribution, U.S. subsidiaries of Navios Holdings are treated as constructive owners of the equity interests of Navios Partners for purposes of determining whether Navios Partners (and a CFC Sub) is a CFC. If, in the future, U.S. holders (including U.S. subsidiaries of Navios Holdings, as discussed above) that each own 10.0% or more (by vote or value) of the equity of Navios Partners own in the aggregate more than 50% of the equity of Navios Partners (by vote or value), in each case, directly, indirectly or constructively, Navios Partners (and a CFC Sub) would become a CFC.

U.S. holders who at all times own less than 10% of our equity should not be affected. However, if we (or a CFC Sub) were to become a CFC, any U.S. holder owning 10% or more (by vote or value), directly or indirectly, of our equity could be subject to U.S. federal income tax in respect of a portion of our earnings and the earnings of a CFC Sub. Any U.S. holder of Navios Partners that owns 10% or more (by vote or value), directly, indirectly or constructively, of the equity of Navios Partners should consult its own tax advisor regarding the U.S. federal tax consequences that may result from Navios Partners (and a CFC Sub) being treated as a CFC (see "Material U.S. Federal Income Tax Considerations – U.S. Federal Income Taxation of U.S. Holders - Controlled Foreign Corporation).

You may be subject to income tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. Such laws may require you to file a tax return with and pay taxes to those countries.

We intend that our affairs and the business of each of our controlled affiliates will be conducted and operated in a manner that minimizes income taxes imposed upon us and these controlled affiliates or which may be imposed upon you as a result of owning our common units. However, because we are organized as a partnership, there is a risk in some jurisdictions that our activities and the activities of our subsidiaries may be attributed to our unitholders for tax purposes and, thus, that you will be subject to tax in one or more non-U.S. countries, including Greece, as a result of owning our common units if, under the laws of any such country, we are considered to be carrying on business there. If you are subject to tax in any such country, you may be required to file a tax return with and to pay tax in that country based on your allocable share of our income. We may be required to reduce distributions to you on account of any withholding obligations imposed upon us by that country in respect of such allocation to you. The United States may not allow a tax credit for any foreign income taxes that you directly or indirectly incur.

We believe we can conduct our activities in such a manner that our unitholders should not be considered to be carrying on business in one or more non-U.S. countries including Greece solely as a consequence of the acquisition, holding, disposition or redemption of our common units. However, the question of whether either we or any of our controlled affiliates will be treated as carrying on business in any particular country will be largely a question of fact to be determined based upon an analysis of contractual arrangements, including the Management Agreements we entered into with the Managers and the Administrative Services Agreement we entered into with the Manager, and the way we conduct business or operations, all of which may change over time. Furthermore, the laws of Greece or any other country may change in a manner that causes that country's taxing authorities to determine that we are carrying on business in such country and are subject to its taxation laws. Any foreign taxes imposed on us or any subsidiaries will reduce our cash available for distribution.

Our diverse lines of business may have an impact on our tax treatment in the countries in which we operate, which could result in a significant negative impact on our earnings and cash flows from operations.

We are an international company that conducts business throughout the world. Tax laws and regulations are highly complex and subject to interpretation. Consequently, a change in tax laws, treaties or regulations, in the interpretation thereof or in the applicability thereof in and between countries in which we operate, could result in a materially high tax expense or higher effective tax rate on our worldwide earnings, and such change could be significant to our financial results.

New tax laws and regulations are currently being adopted by many jurisdictions pursuant to the Base Erosion and Profit Shifting ("BEPS") Project to set up an international framework to combat tax avoidance. In January 2019, the Organization for Economic Co-operation and Development (the "OECD") announced the Pillar One and Pillar Two frameworks. Pillar One reallocates certain residual profits of multinational enterprises to market jurisdictions where goods or services are used or consumed. Pillar Two also referred to as the Global Anti-Base Erosion Rules (the "GloBE Rules") operate to impose a minimum tax rate of 15% calculated on a jurisdictional basis. More than 130 countries have signed on to the GloBE Rules released in December 2021 that, among other provisions, give the countries the right to "tax back" profit that is currently taxed below the minimum 15% rate. The framework calls for law enactment by OECD and G20 members in 2022 to take effect in 2023 and 2024. Presently, it is difficult to assess if and to what extent such changes will impact our tax burden. Further developments and unexpected implementation mechanics could adversely affect our effective tax rate or result in higher cash tax liabilities.

If any tax authority successfully challenges our operational structure, intercompany pricing policies or the taxable presence of our key subsidiaries in certain countries, or if the terms of certain income tax laws or treaties are interpreted in a manner that is adverse to our structure or new lines of business, or if we lose a material tax dispute in any country, our effective tax rate on our worldwide earnings from our operations could increase substantially and our earnings and cash flows from these operations could be materially adversely affected.

We and our subsidiaries may be subject to taxation in the jurisdictions in which we and our subsidiaries conduct business. Such taxation would result in decreased earnings. Investors are encouraged to consult their own tax advisors concerning the overall tax consequences of the ownership of our common shares arising in an investor's particular situation under U.S. federal, state, local and foreign law.

We have been organized as a limited partnership under the laws of the Republic of the Marshall Islands, which does not have a well-developed body of partnership law; as a result, unitholders may have more difficulty in protecting their interests than would unitholders of a similarly organized limited partnership in the United States.

Our partnership affairs are governed by our partnership agreement and by the Marshall Islands Act. The provisions of the Marshall Islands Act resemble provisions of the limited partnership laws of a number of states in the United States, most notably Delaware. The Marshall Islands Act also provides that it is to be applied and construed to make it uniform with Delaware law and, so long as it does not conflict with the Marshall Islands Act or decisions of the Marshall Islands courts, interpreted according to the non-statutory law (or case law) of the State of Delaware. There have been, however, few, if any, court cases in the Marshall Islands interpreting the Marshall Islands Act, in contrast to Delaware, which has a fairly well-developed body of case law interpreting its limited partnership statute. Accordingly, we cannot predict whether Marshall Islands courts would reach the same conclusions as the courts in Delaware. For example, the rights of our unitholders and the fiduciary responsibilities of our general partner under Marshall Islands law are not as clearly established as under judicial precedent in existence in Delaware. As a result, unitholders may have more difficulty in protecting their interests in the face of actions by our officers or directors than would unitholders of a similarly organized limited partnership in the United States.

Because we are organized under the laws of the Marshall Islands and our business is operated primarily from our office in Monaco, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and all of our assets are located outside of the United States. Our business is operated primarily from our office in Monaco. In addition, our general partner is a Marshall Islands limited liability company, and our directors and officers generally are or will be non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States if you believe that your rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands, the Monaco and other jurisdictions may prevent or restrict you from enforcing a judgment against our assets or the assets of our general partner or our directors or officers.

We rely on the master limited partnership structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt. The depressed trading price of our common units may affect our ability to access capital markets and, as a result, our ability to pay distributions or repay our debt.

We rely on the master limited partnership structure and its appeal to investors for accessing debt and equity markets to finance our growth and repay or refinance our debt.

We rely on our ability to raise capital in the equity and debt markets to grow our fleet and to refinance our debt. A protracted deterioration in the valuation of our common units would increase our cost of capital, make any equity issuance significantly dilutive and may affect our ability to access capital markets and, as a result, our capacity to pay distributions to our unitholders and refinance or repay our debt.

Our partnership agreement limits our general partner's and our directors' fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner or our directors.

Our partnership agreement contains provisions that reduce the standards to which our general partner and directors would otherwise be held by Marshall Islands law. For example, our partnership agreement:

- permits our general partner to make a number of decisions in its individual capacity, as opposed to in its capacity as our general partner. Where our partnership agreement permits, our general partner may consider only the interests and factors that it desires, and in such cases it has no fiduciary duty or obligation to give any consideration to any interest of, or factors affecting us, our affiliates or our unitholders. Decisions made by our general partner in its individual capacity will be made by Olympos Maritime Ltd. Specifically, pursuant to our partnership agreement, our general partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the partnership;

- appoints any directors or votes for the election of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units or, general partner interest or votes upon the dissolution of the partnership;

- provides that our general partner and our directors are entitled to make other decisions in "good faith" if they reasonably believe that the decision is in our best interests;

- generally provides that affiliated transactions and resolutions of conflicts of interest not approved by the Conflicts Committee of our board of directors and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be "fair and reasonable" to us and that, in determining whether a transaction or resolution is "fair and reasonable," our board of directors may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and

- provides that neither our general partner nor our officers or our directors will be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that our general partner or directors or our officers or directors or those other persons engaged in actual fraud or willful misconduct.

In order to become a limited partner of our partnership, a common unitholder is required to agree to be bound by the provisions in the partnership agreement, including the provisions discussed above.

Our general partner has a limited call right that may require unitholders to sell their common units at an undesirable time or price.

If at any time our general partner and its affiliates, including Angeliki Frangou, our Chairwoman and Chief Executive Officer, own more than 80% of the common units, our general partner will have the right, which it may assign to any of its affiliates or to us, but not the obligation, to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than their then-current market price. As a result, unitholders may be required to sell their common units at an undesirable time or price and may not receive any return on their investment. Unitholders may also incur a tax liability upon a sale of their units.

As of March 31, 2024, Angeliki Frangou beneficially owned approximately 16.7% of the outstanding Common Units including 4,672,314 held through four entities affiliated with her. As of March 31, 2024, our general partner owned all 622,296 outstanding general partnership units, which represented a 2.0% ownership interest in us based on all outstanding common units and general partnership units.

Our general partner may transfer its general partner interest to, and the control of our general partner may be transferred to a third party without common unitholder consent.

Our general partner may transfer its general partner interest to a third party without the consent of the unitholders. In addition, our partnership agreement does not restrict the ability of the members of our general partner from transferring their respective membership interests in our general partner to a third party. A different general partner may make decisions or operate our business in a manner that is different, and significantly less skilled and beneficial to us, and that could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for distributions to our unitholders.

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner, and even if our public unitholders are dissatisfied, they will need a qualified majority to remove our general partner.

Our partnership agreement contains provisions that may have the effect of discouraging a person or group from attempting to remove our current management or our general partner.

- The vote of the holders of at least 66 2/3 % of all the then outstanding common units, voting together as a single class is required to remove the general partner.
- Common unitholders elect only four of the seven members of our board of directors. Our general partner in its sole discretion has the right to appoint the remaining three directors.
- Election of the four directors elected by unitholders is staggered, meaning that the members of only one of three classes of our elected directors are selected each year. In addition, the directors appointed by our general partner will serve for terms determined by our general partner.
- A director appointed by our general partner may be removed from our board of directors at any time without cause only by our general partner and with cause by either our general partner, the vote of holders of a majority of all classes of equity interests in us voting as a single class or the majority vote of the other members of our board. A director elected by our common unitholders may be removed from our board of directors at any time with cause by the vote of holders of a majority of our outstanding common units or the majority vote of the other members of our board. “Cause” is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding our general partner or director liable for actual fraud or willful or wanton misconduct in its capacity as our general partner or as a member of the board of directors, as the case may be. Cause does not include most cases of charges of poor business decisions such as charges of poor management of our business by the directors appointed by our general partner or as a member of the Board of Directors, as the case may be.
- Our partnership agreement contains provisions limiting the ability of unitholders to call meetings of unitholders, to nominate directors and to acquire information about our operations as well as other provisions limiting the unitholders’ ability to influence the manner or direction of management.
- Unitholders’ voting rights are further restricted by the partnership agreement provision providing that if any person or group owns beneficially more than 4.9% of the common units then outstanding, any such common units owned by that person or group in excess of 4.9% may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, except for purposes of nominating a person for election to our board, determining the presence of a quorum or for other similar purposes, unless required by law. The voting rights of any such common unitholders in excess of 4.9% will be redistributed pro rata among the other common unitholders holding less than 4.9% of the voting power of all classes of units entitled to vote. Our general partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.
- We have substantial latitude in issuing equity securities without unitholder approval.

Unitholders may not have limited liability if a court finds that unitholder action constitutes control of our business.

As a limited partner in a partnership organized under the laws of the Marshall Islands, unitholders could be held liable for our obligations to the same extent as a general partner if they participate in the “control” of our business. Our general partner generally has unlimited liability for the obligations of the partnership, such as its debts and environmental liabilities, except for those contractual obligations of the partnership that are expressly made without recourse to our general partner.

We can borrow money to pay distributions, which would reduce the amount of credit available to operate our business.

Our partnership agreement will allow us to make borrowings to make distributions. Accordingly, we can make distributions on all our units even though cash generated by our operations may not be sufficient to pay such distributions. Any borrowings by us to make distributions will reduce the amount of borrowings we can make for operating our business.

Our management will have broad discretion with respect to the use of the proceeds resulting from the issuance of common units whether under a continuous offering program or a secondary offering.

Our management will have broad discretion in the application of the net proceeds from continuous offering programs or secondary offerings, and could spend such proceeds in ways that do not improve our results of operations or enhance the value of our common units. The failure by our management to apply these funds effectively could result in financial losses and cause the price of our common units to decline. Pending their use, we may invest the net proceeds from continuous offering programs or secondary offerings in a manner that does not produce income or that loses value.

Our general partner and its affiliates, which includes Angeliki Frangou, own a significant interest in us and may have conflicts of interest and limited fiduciary and contractual duties, which may permit them to favor their own interests to the detriment of unitholders.

Angeliki Frangou, the Company's Chief Executive Officer and Chairwoman is our main unitholder owning, directly and indirectly through affiliated entities, an approximate 16.7% of the total number of outstanding common units. Angeliki Frangou also beneficially owns our general partner, which owns all of our general partnership units representing a 2.0% ownership interest in us based on all outstanding common units and general partnership units. This concentration of ownership may delay, deter or prevent acts that would be favored by our other unitholders or deprive unitholders of an opportunity to receive a premium for their common units as part of a sale of our business, and it is possible that the interests of the controlling unitholders may in some cases conflict with our unitholders. The interests of our general partner and its affiliates may be different from your interests. As a result of these conflicts, our general partner and its affiliates may favor their own interests over the interests of our unitholders. These conflicts include, among others, the following situations:

- neither our partnership agreement nor any other agreement requires our general partner to pursue, in the operation of their businesses, a business strategy that favors us;
- our general partner and our directors have limited liabilities and reduced their fiduciary duties under the laws of the Marshall Islands, while the remedies available to our unitholders are also restricted, and, as a result of purchasing common units, unitholders are treated as having agreed to the modified standard of fiduciary duties and to certain actions that may be taken by our general partner and our directors, all as set forth in the partnership agreement;
- either or both of our general partner and our board of directors are involved in determining the amount and timing of our asset purchases and sales, capital expenditures, borrowings, issuances of additional partnership securities and reserves, each of which can affect the amount of cash that is available for distribution to our unitholders;
- our general partner is authorized to cause us to borrow funds in order to permit the payment of cash distributions;
- our general partner is entitled to reimbursement of all reasonable costs incurred by it and its affiliates for our benefit;
- our partnership agreement does not restrict us from paying our general partner or its affiliates for any services rendered to us on terms that are fair and reasonable or entering into additional contractual arrangements with any of these entities on our behalf; and
- our general partner may exercise its right to call and purchase our common units if it and its affiliates own more than 80% of our common units.

Although a majority of our directors will be elected by common unitholders, our general partner will likely have substantial influence on decisions made by our board of directors.

Our officers face conflicts of interest and conflicts in the allocation of their time to our business.

Certain of our executive officers and/or directors also serve as executive officers and/or directors of Navios Holdings and its affiliates. Our Chief Executive Officer is also the Chief Executive Officer of Navios Holdings. Our officers are not required to work full-time on our affairs and, in the future, we may have additional officers that also provide services to Navios Holdings and their affiliates. As such these individuals have fiduciary duties to Navios Holdings and its affiliates which may cause them to pursue business strategies that disproportionately benefit Navios Holdings and its affiliates or which otherwise are not in our best interests or those of our unitholders. Conflicts of interest may arise between Navios Holdings and its affiliates, on the one hand, and us and our unitholders on the other hand. Certain our officers may spend a substantial portion of their monthly business time dedicated to the business activities of the Navios Holdings and their affiliates. However, the actual allocation of time could vary significantly from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses.

Fees and cost reimbursements, which the Managers determine for services provided to us, represent significant percentage of our revenues, are payable regardless of profitability and reduce our cash available for distributions.

A large portion of the management, staffing and administrative services that we require to operate our business are provided to us by the Managers. We pay the Managers fees under the Management Agreements.

Pursuant to the Management Agreements, the Managers provide commercial and technical management services to our vessels until January 1, 2025, when the Management Agreements are currently set to expire.

In addition, the Manager will provide us with administrative services, pursuant to the Administrative Services Agreement also expiring on January 1, 2025, and we will reimburse the Manager for all costs and expenses reasonably incurred by them in connection with the provision of those services. The exact amount of these future costs and expenses are unquantifiable at this time and they are payable regardless of our profitability.

If we desire to terminate either of these agreements before its scheduled expiration, we must pay a termination fee to the Managers as set forth in the Management Agreements. As a result, our ability to make short-term adjustments to manage our costs by terminating one or both these agreements may be limited which could cause our results of operations and ability to pay cash distributions and repurchases of common units to be materially and adversely affected.

For detailed information on the amount of vessel operating expenses owed under the Management Agreements, please read the section entitled, "Item 5.Operating and Financial Review and Prospects - A. Operating results – Vessel operating expenses" and the Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

Item 4. Information on the Partnership

A. History and Development of the Partnership

Navios Partners is an international owner and operator of Dry Cargo and tanker vessels that was formed on August 7, 2007 under the laws of the Republic of the Marshall Islands as a limited partnership, under the Marshall Islands Limited Partnership Act.

Olympos Maritime Ltd. is Navios Partners' general partner (the "General Partner") and currently owns all the general partnership units representing an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units.

Navios Partners is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including iron ore, oil, coal, grain and fertilizer and also containers, chartering its vessels generally under short-term, medium to long-term charters. The operations of Navios Partners are managed by the Managers from their offices in Greece, Singapore and Monaco.

The principal executive offices of Navios Partners are located at c/o Navios Maritime Partners L.P., 7 Avenue de Grande Bretagne, Office 11B2, Monte Carlo, MC 98000 Monaco, and its telephone number is (011) + (377) 9798-2140.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. The address of the Company's internet site is https://www.navios-mlp.com. Information contained on this website does not constitute part of this report.

Navios Containers Merger

On March 31, 2021, Navios Partners completed the merger (the "NMCI Merger") contemplated by the Agreement and Plan of Merger (the "NMCI Merger Agreement"), dated as of December 31, 2020, by and among Navios Partners, its direct wholly-owned subsidiary NMM Merger Sub LLC ("Merger Sub"), Navios Maritime Containers L.P. and Navios Maritime Containers GP LLC, Navios Containers' general partner at the time. Pursuant to the NMCI Merger Agreement, Merger Sub merged with and into Navios Containers, with Navios Containers continuing as the surviving partnership. As a result of the NMCI Merger, Navios Containers became a wholly-owned subsidiary of Navios Partners. Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. Following the exercise of the optional second merger ("Second Merger"), Navios Containers merged with and into Navios Maritime Containers Sub LP, with Navios Maritime Containers Sub LP continuing as the surviving partnership, and Migen Shipmanagement Ltd, a wholly owned subsidiary of Navios Partners, became Navios Containers' General Partner. Upon completion of the NMCI Merger on March 31, 2021, beginning from April 1, 2021, the results of operations of Navios Containers are included in Navios Partners' Consolidated Statements of Operations.

Navios Acquisition Merger

On August 25, 2021 (date of obtaining control), Navios Partners purchased 44,117,647 newly issued shares of Navios Acquisition, thereby acquiring a controlling interest of 62.4% in Navios Acquisition, and the results of operations of Navios Acquisition are included in Navios Partners' consolidated statements of operations commencing on August 26, 2021.

On October 15, 2021, Navios Partners completed the merger with Navios Acquisition (the "NNA Merger" and together with the NMCI Merger, the "Mergers") and as a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Each outstanding share of common stock of Navios Acquisition that was held by a stockholder other than Navios Partners was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public stockholders of Navios Acquisition.

Financing Arrangements

Please read "Item 5. Operating and Financial Review and Prospects – Recent Developments" for a full description of the Company's most recent financing arrangements.

Please read Note 11 – Borrowings to our consolidated financial statements, included elsewhere in this annual report for a full description of the financing arrangements of the Company as of December 31, 2023.

Distributions

Please read "Item 8. Financial Information – A. Consolidated Statements and Other Financial Information – Cash Distribution Policy" for a full description of the Company's cash distribution policy.

Please read Note 18 – Cash distributions and earning per unit to our consolidated financial statements, included elsewhere in this annual report for a full description of the authorized cash distributions of the Company.

Equity Offerings and Issuances

Please read Note 13 – Repurchases and issuance of units to our consolidated financial statements, included elsewhere in this annual report for a full description of the Company's equity offerings and issuances of units.

Acquisitions and Sales of Vessels

Please read Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this annual report for a full description of the Company's acquisitions and sales of vessels as of December 31, 2023.

Please read "Item 5. Operating and Financial Review and Prospects – Recent Developments" for a full description of the Company's most recent acquisition and sales of vessels.

B. Business Overview

Introduction

We are an international owner and operator of Dry Cargo and tanker vessels that was formed by Navios Holdings. Our vessels are generally chartered-out under short-term, medium and long-term time charters with an average remaining charter duration of approximately 2.0 years to a strong group of counterparties, including ZIM Integrated Shipping Services Ltd. ("ZIM"), HMM Co. Ltd. ("HMM"), Chevron Transport Corporation Ltd. ("Chevron"), Unifeeder ISC FZCO ("Unifeeder"), COSCO Shipping Group, VS Tankers FZE/AMPTC, Saudi Aramco, Nippon Yusen Kabushiki Kaisha ("NYK Line") and Kawasaki Kisen Kaisha Ltd. ("K Line").

Our ESG Practices

We are committed to integrating ESG practices into our operations and business strategy aiming to become a leader in sustainability and exploitation of new technologies. We present our ESG strategy and goals, set measurable sustainability targets and report on our progress across our business operations. Our ESG reports may be found on our website at www.navios-mlp.com, given that we intent to make our emission data publicly available. The information on our website is not incorporated by reference into this annual report. The relevant emissions data for our fleet will be reported to the applicable Classification Societies and the IMO.

Environment

Our goal ambition is to achieve "net-zero" carbon emissions by 2050. We proudly joined the Global Maritime Forum in 2023, an international not-for-profit organization for the global maritime industry. It assembles key leaders from across the maritime industry with policymakers, experts, NGOs and other influential decision-makers. Additionally, we joined the Global Maritime Forum's Getting to Zero Coalition – a show of our commitment to reducing greenhouse gas emissions. This network is committed to getting commercially viable deep sea zero emission vessels powered by zero emission fuels into operation by 2030 towards full decarbonization by 2050. The Getting to Zero Coalition includes initiative for Green Corridors, we are participating in this initiative which aims to achieve an outsized impact on emissions reductions by installing advanced infrastructure technologies in ports along specific shipping routes.

We are progressing our decarbonization path through:

(i) emissions data-driven operational improvements. We continue to expand our vessel performance software tools, allowing us to monitor efficiency performance. This data, in turn, informs operational strategy. We foster and grow long-term relationships with our charterers, with whom we share common environmental sustainability goals by implementing these operationally efficient strategies into our long-term charter agreements.

(ii) technological research and ESD implementation onboard. We have invested in renewing and upgrading our fleet with the latest technologies. Our newbuilding program replaces older vessels with newer, more efficient vessels, all of which are fitted with Energy Saving Devices ("ESD") straight from the shipyard. We have also been retrofitting propeller boss cap fins and energy saving ducts on multiple vessels and have installed high-efficiency LED lights across our fleet.

Further Emission Management Strategy

Invest in Research: We continue to invest in researching and developing innovative emission reduction technologies, specifically targeting advancements like carbon capture technologies. We explore and incorporate alternative fuels into future-looking strategies, positioning ourselves to benefit as they become technologically available and economically viable.

In 2024, in collaboration with Lloyd's Register Maritime Decarbonization Hub and four other leading ship owners, we will launch a global non-profit Maritime Emissions Reduction Center (M-ERC) in Athens. The M-ERC is being created with the goal of removing technical, investment and community barriers to reduce emissions of the existing global fleet.

Biodiversity and Ecology management:

The release of untreated ballast water can have severe impacts on biodiversity. It can contain invasive species and bacteria which if not treated can have a detrimental impact to the local ecosystem and economy. Ballast Water Transfer Systems are employed to reduce the impacts of releasing ballast water to the environment. There are two methods of discharging ballast water safely, ballast water exchange, and ballast water treatment systems.

A more sophisticated way of improving the safety of ballast water release is through the Ballast Water Treatment System (BWTS). This method involved treating the ballast water chemically or using ultraviolet light to sterilize the water before release.

Approximately 98% of our NSM managed fleet has implemented ballast water treatment systems: a significant improvement in the region of 28% from last year. 100% of our vessels managed by third party managers have also implemented ballast water treatment systems. This impressive result is a clear indication of our commitment to reducing the maritime sector's impact on the environment.

Social responsibility:

We believe we are one of the industry leaders in diversity and inclusion. About 45% of our workforce are women, including approximately 43% of our team managers and around 30% of governance positions. Navios Partners has joined the All Aboard Alliance which unites senior leaders from the maritime industry. Their collaborative mission is to enhance diversity, equity, and inclusion in both maritime organizations at sea and onshore. All members of the alliance are encouraged to implement the framework into company policies and are required to report on their actions and progress each year. We have recently joined this initiative - signifying our commitment to shared learning and collective action in the maritime industry and fostering accountability. We are committed to ensuring that we have effective policies, strategies, procedures, and processes that promote equality, encourage diversity, and contribute to an inclusive organizational culture. Our crew retention rates remained in the area of 97% for all our fleets in 2023. We continually invest in training both seafarers and shore side staff, especially in topics relating to safety and wellbeing. These trainings are repeated and stressed periodically at regularly hosted crew forums around the world. We address the issue of mental health, as a priority. All our seafarers have access to a 24/7 support line, where they can receive advice and guidance on any health or mental wellbeing issue. We believe that these efforts are the reason for our high crew retention rate. We also participate in community philanthropy and donate to several universities and learning institutions, charities, hospitals, and local religious institutions that assist the local communities. Specifically, in 2022, we financed two research scholarships for programs focusing on maritime sustainability. In 2023, we reinforced our commitment to promoting ESG initiatives in shipping, by making annual donations to prestigious local and international educational organizations.

We are founding members of the North American Marine Environment Protection Association (NAMEPA) - a non-profit organization with a mission to protect the marine environment and educate seafarers on the importance of protecting ocean waters, lakes and rivers. We continue to sponsor NAMEPA, alongside our financial contributions to Hellenic Marine Environment Protection Association (HELMEPA) - affirming our commitment to saving our seas.

The safety of our seafarers is of paramount importance. As a show of our dedication to safety, we have chosen to align with multiple industry frameworks and disclose both our Lost Time Injury Rate (“LTIR”) and the Total Recordable Case Frequency (“TRCF”). The LTIR is a metric that calculates the number of incidents that result in time away from work. The TRCF goes further, recording the total number of recorded incidents. We are proud to report that the LTIR across the entire fleet year-on-year has decreased by an average of around 42.8%. Our tanker TRCF decreased by 100% from 0.15 in 2022 to approximately 0.00 in 2023.

Governance:

Our company is governed by an experienced and majority independent board of directors. We have committees to ensure the oversight of our activities, as well as compliance with all applicable frameworks. We have adopted a Code of Corporate Conduct and Ethics with which all employees comply. We encourage our employees and crew to engage in free and open reporting, anonymously or otherwise, using a dedicated email address, or, for crew, an open reporting hotline.

Our existing corporate governance strategy includes regular board evaluations, and proactive engagement with stakeholders. Through our company values we encourage a culture of integrity, ethics, and accountability. This year our corporate governance strategy has had to develop to include the new requirements of upcoming regulations. For example, the Corporate Sustainability Reporting Directive (CSRD) requires companies to put in place and disclose governance oversight procedures covering information gathering, internal controls and the sustainability reporting process. The recently adopted SEC climate-related disclosures rules have similar, less strict requirements around the process of identifying climate risk.

Climate risk management:

Climate change has the potential to present profound risks to the maritime sector. From physical risks such as increasing severity of storms to transition risks, such as carbon taxes, we must engage with these real and substantial issues. They will impact our operations, and therefore they must be managed. While climate change poses risks, the response to climate change also presents interesting opportunities for the sector.

It is imperative that we have the processes and tools required to fully manage climate risk, however, we have an opportunity to leverage our strategic benefits.

In 2023 we have built a holistic climate-risk management process. Its main aim is to formalize the governance structure dictating how climate risks are identified and engaged with.

Climate risk mitigation:

We continually monitor and implement strategies to mitigate the effects of climate risk, this includes:

- Evaluating new vessel technologies that may improve vessel operational efficiency.
- Renewing and modernizing our fleet and embracing new vessel designs.
- Collaborating with stakeholders to share information, insights, and best practices for reducing harmful environmental impacts.
- Engaging with partners in our value chain to ensure efficient and sustainable operation of our vessels.
- Training seafarers on how to deal with risks that are enhanced by climate change, such as navigating in extreme weather conditions.

Privacy and Data Security

Privacy and data security is crucial to our operations. The risk of security breaches is one that we take serious measures to safeguard against, implementing best practices in line with BIMCO recommendations and by utilizing high-quality operating systems. Our systems are regularly reviewed and updated as appropriate. We are fully compliant with the E.U. General Data Protection Regulation (GDPR).

Regulatory Compliance

Navios conforms to the highest standards of ethical conduct. All employees, at all corporate levels, comply fully with all applicable laws and regulations, including, among others, the OECD Convention, the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, all SEC requirements, and applicable tax laws of the countries in which we have a relevant business presence. We also aim to maintain all ISO certifications achieved to date.

Our Fleet

Navios Partners' fleet consists of 77 dry bulk vessels, 46 containerships and 54 tanker vessels, including 18 newbuilding tankers (12 Aframax/LR2 and six MR2 product tanker chartered-in vessels under bareboat contracts), that are expected to be delivered through 2027 and ten newbuilding containerships (eight 5,300 TEU containerships and two 7,700 TEU containerships), that are expected to be delivered through 2025. The fleet excludes one VLCC vessel and one containership agreed to be sold.

We generate revenues by charging our customers for the use of our vessels to transport their dry cargo commodities, containers, crude oil and/or refined petroleum products. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to 12 years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered out under short-term, medium and long-term charters.

The following table provides summary information about our fleet as of March 19, 2024:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Vega	Transhipper	2009	57,573	$ 25,800	No	Jan-29
Navios Christine B	Ultra-Handymax	2009	58,058	$ 10,005 $ 12,673 —	No No 99.0% average BSI 58 10TC	Mar-24 Jun-24 Aug-24
Navios Celestial	Ultra-Handymax	2009	58,063	$ 9,595 $ 12,350 —	No No 100% average BSI 58 10TC	Mar-24 Jun-24 Apr-25
Navios La Paix	Ultra-Handymax	2014	61,485	$ 10,650 $ 12,654 —	No No 111.0% average BSI 58 10TC	Mar-24 Jun-24 Jul-24
N Amalthia	Panamax	2006	75,318	$ 10,166 —	No 90.0% average BPI 82	Mar-24 Apr-25
Navios Hope	Panamax	2005	75,397	$ 9,625 —	No 100.0% average BPI 4TC	Mar-24 Jun-24
Navios Sagittarius [5]	Panamax	2006	75,756	$ 9,721 $ 12,128 —	No No 100.0% average BPI 82 less $1,286	Mar-24 Jun-24 Sep-24
Navios Taurus	Panamax	2005	76,596	—	100.0% average BPI 4TC	Apr-24
Navios Galileo	Panamax	2006	76,596	$ 10,347	No	Apr-24

N Bonanza	Panamax	2006	76,596	$	9,866	No	Mar-24
					—	100.0% average BPI 4TC	May-24
Navios Sun	Panamax	2005	76,619	$	9,625	No	Mar-24
				$	13,331	No	Jun-24
					—	100.0% average BPI 82 less $1,286	Dec-24
Navios Asteriks [24]	Panamax	2005	76,801	$	10,010	No	Mar-24
				$	12,368	No	Jun-24
					—	100.0% average BPI 82 less $1,286	Sep-24
Navios Helios	Panamax	2005	77,075		—	100.0% average BPI 4TC	Apr-24
Navios Victory	Panamax	2014	77,095	$	10,977	No	Mar-24
				$	12,664	No	Jun-24
					—	96.0% average BPI 82	Oct-24
Unity N	Panamax	2011	79,642	$	10,768	No	Mar-24
				$	12,206	No	Jun-24
					—	89.0% average BPI 4TC	Oct-24
Odysseus N	Panamax	2011	79,642	$	14,250	No	Sep-24
Rainbow N	Panamax	2011	79,642	$	10,588	No	Mar-24
Navios Avior	Kamsarmax	2012	81,355		—	100.0% average BPI 82	Jan-25
Navios Centaurus	Kamsarmax	2012	81,472	$	11,021	No	Mar-24
				$	13,132	No	Jun-24
					—	101.0% average BPI 82	Nov-24
Navios Horizon I [24]	Kamsarmax	2019	81,692		—	110.0% average BPI 82	Mar-24
				$	18,259	No	Jun-24
					—	110.0% average BPI 82	Apr-25
Navios Galaxy II [6]	Kamsarmax	2020	81,789	$	11,902	No	Mar-24
				$	13,612	No	Jun-24
				$	18,421	No	Sep-24
					—	112.5% average BPI 82	Dec-24
Navios Uranus [6]	Kamsarmax	2019	81,821		—	112.0% average BPI 82	Mar-24
				$	19,235	No	Jun-24
				$	18,806	No	Sep-24
					—	112.0% average BPI 82	Apr-26
Navios Felicity I [6]	Kamsarmax	2020	81,962		—	114.0% average BPI 82	Mar-24
				$	19,082	No	Jun-24
				$	18,699	No	Sep-24
				$	18,425	No	Dec-24
					—	114.0% average BPI 82	Jan-25
Navios Primavera [5]	Kamsarmax	2022	82,003	$	12,658	No	Mar-24
				$	14,872	No	Jun-24
					—	115.0% average BPI 82	Sep-24
Navios Meridian [5]	Kamsarmax	2023	82,010	$	12,438	No	Mar-24
				$	14,633	No	Jun-24
				$	17,650	No	Sep-24
					—	115.5% average BPI 82	Nov-24
Navios Herakles I [6]	Kamsarmax	2019	82,036	$	11,684	No	Mar-24
				$	13,733	No	Jun-24
				$	19,016	No	Sep-24
					—	113.5% average BPI 82	Nov-24
Navios Magellan II [6]	Kamsarmax	2020	82,037	$	12,005	No	Mar-24
				$	14,430	No	Jun-24
				$	17,934	No	Sep-24
					—	112.0% average BPI 82	Nov-24
Navios Sky [5]	Kamsarmax	2015	82,056	$	11,558	No	Mar-24
				$	13,579	No	Jun-24
					—	105.0 % average BPI 82	Sep-24
Navios Harmony	Kamsarmax	2006	82,790	$	12,513	No	May-24
				$	15,400	No	Jul-24
Navios Alegria [24]	Kamsarmax	2016	84,852	$	14,197	No	Jul-24
Navios Sphera	Kamsarmax	2016	84,872	$	11,628	No	Mar-24
				$	18,714	No	Jun-24
				$	18,831	No	Sep-24
					—	110.0% of average BPI 82	Oct-25
Navios Apollon I	Post-Panamax	2005	87,052	$	10,443	No	Mar-24
Copernicus N	Post-Panamax	2010	93,062	$	17,338	No	Apr-24
Navios Stellar [5]	Capesize	2009	169,001		—	97.0% average BCI 5TC	Jun-26
Navios Aurora II	Capesize	2009	169,031		—	99.0% average BCI 5TC	May-24
Navios Antares [5]	Capesize	2010	169,059		—	100.0% average BCI 5TC	Feb-25
Navios Symphony	Capesize	2010	178,132		—	104.50% average BCI 5TC	Mar-24
					—	102.75% average BCI 5TC	Apr-26
Navios Ace [5]	Capesize	2011	179,016	$	11,157	No	Mar-24
					—	107.25% average BCI 5TC	Feb-25
Navios Melodia	Capesize	2010	179,132		—	105.0% average BCI 5TC	Mar-24
					—	104.0% average BCI 5TC	Apr-26
Navios Luz	Capesize	2010	179,144	$	12,436	No	Mar-24
					—	106.0% average BCI 5TC	Jun-24
Navios Altamira	Capesize	2011	179,165	$	11,130	No	Mar-24
					—	107.0% average BCI 5TC	Mar-25
Navios Azimuth [24]	Capesize	2011	179,169	$	13,367	No	Mar-24
					—	105.0% average BCI 5TC	Feb-25
Navios Etoile	Capesize	2010	179,234	$	12,634	No	Mar-24
					—	105.0% average BCI 5TC	Feb-25

Navios Buena Ventura	Capesize	2010	179,259	$ $ —	11,870 23,342 —	No No 105.0% average BCI 5TC	Mar-24 Dec-24 Feb-25
Navios Bonheur	Capesize	2010	179,259		—	104.0% average BCI 5TC	Jan-25
Navios Fulvia	Capesize	2010	179,263	$ —	11,870 —	No 105.0% average BCI 5TC	Mar-24 Feb-25
Navios Aster	Capesize	2010	179,314	$ $	10,637 23,495	No No	Mar-24 Dec-24
Navios Ray [5]	Capesize	2012	179,515		—	105.0% average BCI 5TC	Jan-25
Navios Happiness	Capesize	2009	180,022	$ $ —	10,355 22,626 —	No No 109.0% average BCI 5TC	Mar-24 Dec-24 Jan-25
Navios Bonavis [5]	Capesize	2009	180,022	$ —	12,587 —	No 103.0% average BCI 5TC	Mar-24 Apr-26
Navios Phoenix [5]	Capesize	2009	180,242	$ $ —	11,335 22,765 —	No No 100.0% average BCI 5TC + $1,905 per day	Mar-24 Dec-24 Aug-26
Navios Fantastiks [5]	Capesize	2005	180,265	— $	— 17,575	Scheduled repairs No	Mar-24 Jun-26
Navios Sol [5]	Capesize	2009	180,274	$ — —	10,450 — —	No 110.0% average BCI 5TC 108.0% average BCI 5TC	Mar-24 Apr-24 Jun-26
Navios Canary [24]	Capesize	2015	180,528	$ —	16,625 —	No 125.0% average BCI 5TC	Mar-24 Jan-25
Navios Lumen [5]	Capesize	2009	180,661	$ — —	10,419 — —	No 107.0% average BCI 5TC 106.0% average BCI 5TC	Mar-24 Apr-24 May-26
Navios Pollux [5]	Capesize	2009	180,727		—	100.0% of pool earnings	May-24
Navios Felix [24]	Capesize	2016	181,221		—	100.0% average BCI 5TC + $4,085 per day	Jun-24
Navios Corali [24]	Capesize	2015	181,249	$ $ —	18,668 21,779 —	No No 131.0% average BCI 5TC	Mar-24 Dec-24 Jan-25
Navios Mars	Capesize	2016	181,259	$ $ —	15,804 30,278 —	No No 128.0% average BCI 5TC	Mar-24 Dec-24 Feb-25
Navios Gem	Capesize	2014	181,336	$ $ —	15,528 31,634 —	No No 125.0% average BCI 5TC	Mar-24 Dec-24 Apr-26
Navios Joy	Capesize	2013	181,389		—	Freight Voyages	Aug-25
Navios Koyo	Capesize	2011	181,415	$ —	11,098 —	No 118.0% average BCI 5TC	Mar-24 Jun-24
Navios Azalea [6]	Capesize	2022	182,064	$	19,950	No	Nov-27
Navios Armonia [6]	Capesize	2022	182,079	$	20,750	No	Sep-27
Navios Altair [6]	Capesize	2023	182,115	$	19,600	No	Nov-27
Navios Sakura [6]	Capesize	2023	182,169	$	19,550	No	Mar-28
Navios Amethyst [6]	Capesize	2023	182,212	$	19,550	No	Feb-28
Navios Astra [14]	Capesize	2022	182,393	$	21,000	No	Aug-27

Owned Containerships	Capacity (TEU)	Built	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Spectrum N	2,546	2009	$ 36,538	No	Mar-25
Protostar N	2,741	2007	$ 11,700	No	Aug-25
Fleur N	2,782	2012	$ 19,750	No	Jun-24
Ete N	2,782	2012	$ 12,097	No	Jun-24
Navios Summer [5]	3,450	2006	$ 39,795	No	May-24
			$ 30,320	No	May-25
			$ 20,845	No	May-26
			$ 34,110	No	Jul-26
Navios Verano[5]	3,450	2006	$ 18,818	No	Apr-26
Navios Spring [5] [15]	3,450	2007	$ 19,744	No	Apr-24
Matson Lanai [5]	4,250	2007	$ 55,794	No	Jul-25
Navios Verde [5]	4,250	2007	$ 21,725	No	Apr-25
Navios Amarillo [5]	4,250	2007	$ 63,956	No	Jan-25
			$ 28,425	No	Jan-26
			$ 9,475	No	Jan-28
Navios Vermilion [5]	4,250	2007	$ 23,972	No	Nov-24
			$ 41,722	No	Dec-24
Navios Azure	4,250	2007	$ 20,748	No	Apr-26
Navios Indigo [5]	4,250	2007	$ 43,875	No	Apr-24
			$ 34,125	No	Apr-25
			$ 24,375	No	Apr-26
			$ 41,438	No	Aug-26
Navios Domino [5]	4,250	2008	$ 23,453	No	Sep-25
Matson Oahu [5]	4,250	2008	$ 19,701	No	Oct-24
Navios Tempo	4,250	2009	$ 44,438	No	Sep-25
Navios Destiny [5]	4,250	2009	$ 23,972	No	Oct-24
			$ 41,722	No	Nov-24
Navios Devotion [5]	4,250	2009	$ 43,875	No	Mar-24
			$ 34,125	No	Mar-25
			$ 24,375	No	Mar-26
			$ 41,438	No	Jul-26
Navios Lapis	4,250	2009	$ 20,244	No	Apr-24
Navios Dorado	4,250	2010	$ 21,676	No	Jun-24
Carmel I (ex Zim Carmel)	4,360	2010	$ 42,164	No	Apr-24
			$ 32,689	No	Apr-25
			$ 23,214	No	Apr-26
			$ 39,795	No	Jun-26
Zim Baltimore	4,360	2010	$ 34,125	No	Jan-25
			$ 24,375	No	Jan-26
			$ 41,438	No	May-26
Navios Bahamas	4,360	2010	$ 48,000	No	Apr-25
			$ 22,500	No	Jun-27
Navios Miami	4,563	2009	$ 23,972	No	Oct-24
			$ 41,722	No	Nov-24
Navios Magnolia	4,730	2008	$ 23,972	No	Oct-24
			$ 41,722	No	Nov-24
Navios Jasmine	4,730	2008	$ 48,000	No	Mar-25
			$ 22,500	No	May-27
Navios Chrysalis	4,730	2008	$ 23,453	No	Jun-25
Navios Nerine	4,730	2008	$ 23,972	No	Sep-24
			$ 41,722	No	Oct-24
Sparrow (ex Zim Sparrow)	5,300	2023	$ 42,900	No	Nov-24
			$ 39,000	No	Nov-25
			$ 37,050	No	Nov-26
			$ 35,100	No	Nov-27
			$ 31,200	No	Nov-28
			$ 37,050	No	Jan-29
Zim Eagle	5,300	2024	$ 42,900	No	Jan-25
			$ 39,000	No	Jan-26
			$ 37,050	No	Jan-27
			$ 35,100	No	Jan-28
			$ 31,200	No	Jan-29
			$ 37,050	No	Mar-29
Hyundai Shanghai	6,800	2006	$ 30,119	No	Aug-24
			$ 21,083	No	Aug-29
Hyundai Tokyo	6,800	2006	$ 21,083	No	Dec-28
Hyundai Hongkong	6,800	2006	$ 21,083	No	Dec-28
Hyundai Singapore	6,800	2006	$ 21,083	No	Dec-28
Hyundai Busan	6,800	2006	$ 30,119	No	Aug-24
			$ 21,083	No	Aug-29
Navios Unison [5]	10,000	2010	$ 26,276	No	Jun-26
Navios Constellation [5]	10,000	2011	$ 26,276	No	Jun-26

Owned Tanker Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Profit Sharing Arrangements	Expiration Date[3]
Hector N	MR1 Product Tanker	2008	38,402	$ 20,738	No	Dec-25
Nave Aquila [5]	MR2 Product Tanker	2012	49,991	$ 27,156	No	Jun-24
Nave Atria [5]	MR2 Product Tanker	2012	49,992	$ 14,887	No	Feb-25
Nave Capella	MR2 Product Tanker	2013	49,995	$ 22,138	No	Jan-25
Nave Alderamin	MR2 Product Tanker	2013	49,998	$ 22,138	No	Nov-24
Nave Pyxis	MR2 Product Tanker	2014	49,998	$ 25,891	No	Jan-25
Nave Bellatrix [5]	MR2 Product Tanker	2013	49,999	$ 25,675 $ 19,750	No No	Aug-24 Aug-25
Nave Orion [5]	MR2 Product Tanker	2013	49,999	$ 22,138	No	Dec-24
Nave Titan	MR2 Product Tanker	2013	49,999	$ 25,891	No	Feb-25
Nave Luminosity	MR2 Product Tanker	2014	49,999	$ 23,004 [10]	No	Dec-25
Nave Jupiter	MR2 Product Tanker	2014	49,999	$ 21,231	No	Oct-28
Nave Velocity	MR2 Product Tanker	2015	49,999	$ 15,553 [11]	No	Oct-24
Nave Sextans	MR2 Product Tanker	2015	49,999	$ 23,196 [10]	No	May-26
Nave Equinox	MR2 Product Tanker	2007	50,922	$ 20,392 [8]	No	Nov-24
Nave Pulsar [24]	MR2 Product Tanker	2007	50,922	$ 21,231 [8]	No	Sep-25
Nave Orbit	MR2 Product Tanker	2009	50,470	$ 15,306	No	Oct-24
Nave Equator	MR2 Product Tanker	2009	50,542	$ 23,305	No	Oct-24
Bougainville	MR2 Product Tanker	2013	50,626	$ 21,800 [7]	No	Oct-26
Nave Cetus	LR1 Product Tanker	2012	74,581	$ 32,094	No	Jul-25
Nave Ariadne	LR1 Product Tanker	2007	74,671	Floating Rate [12]	No	Jun-24
Nave Cielo	LR1 Product Tanker	2007	74,671	$ 28,144	No	Sep-25
Nave Rigel	LR1 Product Tanker	2013	74,673	$ 27,008	No	Mar-29
Nave Atropos	LR1 Product Tanker	2013	74,695	$ 21,971	No	Oct-24
Nave Cassiopeia	LR1 Product Tanker	2012	74,711	$ 33,150 [13]	No	Jan-25
Nave Andromeda	LR1 Product Tanker	2011	75,000	$ 28,394	No	Mar-25
Nave Estella	LR1 Product Tanker	2012	75,000	$ 28,394	No	Dec-24
Nave Constellation	VLCC	2010	296,988	Freight voyage	No	Mar-24
Nave Universe	VLCC	2011	297,066	Freight voyage	No	Apr-24
Nave Galactic	VLCC	2009	297,168	Freight voyage	No	Mar-24
Nave Spherical [15]	VLCC	2009	297,188	Freight voyage	No	Apr-24
Nave Quasar	VLCC	2010	297,376	Spot	—	—
Nave Buena Suerte	VLCC	2011	297,491	$ 47,906	Yes[16]	Jun-25
Nave Synergy	VLCC	2010	299,973	Spot	—	—

Bareboat-in Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Star	Kamsarmax	2021	81,994	$ 11,526 —	No 110.0% average BPI 82	Mar-24 Jun-24
Navios Amitie	Kamsarmax	2021	82,002	$ 11,896 —	No 110.0% average BPI 82	Mar-24 May-24
Navios Libra	Kamsarmax	2019	82,011	$ 11,955 —	No 109.75% average BPI 82	Mar-24 Jun-24
Nave Electron	VLCC	2021	313,239	$ 47,906	Yes[16]	Jan-26
Nave Celeste [25]	VLCC	2022	313,418	Floating rate Floating rate	Yes[18] Yes[4]	May-24 Jul-29
Baghdad [25]	VLCC	2020	313,433	$ 27,816 [17]	No	Sep-30
Erbil [25]	VLCC	2021	313,486	$ 27,816 [17]	No	Feb-31

Chartered-in Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Venus	Ultra-Handymax	2015	61,339	$ 11,494 $ 13,181 $ —	No No 111.0% average BSI 58 10TC	Mar-24 Jun-24 Oct-24
Navios Amber [19] [21]	Kamsarmax	2015	80,994	$ 19,000	No	Apr-24
Navios Citrine [19] [21]	Kamsarmax	2017	81,626	$ 11,898 $ 13,675 —	No No 110.0% average BPI 82	Mar-24 Jun-24 Oct-24
Navios Dolphin [19] [21]	Kamsarmax	2017	81,630	$ 14,013 [20]	No	Dec-24
Navios Gemini	Kamsarmax	2018	81,704	$ 15,881	No	Nov-24
Navios Coral [19] [21]	Kamsarmax	2016	84,904	— $ 17,719 $ 19,096 —	110.0% average BPI 82 No No 110.0% average BPI 82	Mar-24 Jun-24 Sep-24 Nov-24

Owned Containerships to be Delivered	Expected Delivery	Capacity (TEU)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
TBN I	H1 2024	5,300	$ 42,900	No	Jun-25
			$ 39,000	No	Jun-26
			$ 37,050	No	Jun-27
			$ 35,100	No	Jun-28
			$ 31,200	No	Jun-29
			$ 37,050	No	Aug-29
TBN II	H2 2024	5,300	$ 42,900	No	Jul-25
			$ 39,000	No	Jul-26
			$ 37,050	No	Jul-27
			$ 35,100	No	Jul-28
			$ 31,200	No	Jul-29
			$ 37,050	No	Sep-29
TBN III [24]	H2 2024	5,300	$ 42,900	No	Aug-25
			$ 39,000	No	Aug-26
			$ 37,050	No	Aug-27
			$ 35,100	No	Aug-28
			$ 31,200	No	Aug -29
			$ 37,050	No	Oct-29
TBN IV [24]	H2 2024	5,300	$ 42,900	No	Nov-25
			$ 39,000	No	Nov-26
			$ 37,050	No	Nov-27
			$ 35,100	No	Nov-28
			$ 31,200	No	Nov-29
			$ 37,050	No	Jan-30
TBN V	H1 2024	5,300	$ 42,900	No	Mar-25
			$ 39,000	No	Mar-26
			$ 37,050	No	Mar-27
			$ 35,100	No	Mar-28
			$ 31,200	No	Mar-29
			$ 37,050	No	May-29
TBN VI	H1 2024	5,300	$ 42,900	No	May-25
			$ 39,000	No	May-26
			$ 37,050	No	May-27
			$ 35,100	No	May-28
			$ 31,200	No	May-29
			$ 37,050	No	Jul-29
TBN VII [5]	H2 2024	5,300	$ 37,500	No	Mar-30
TBN VIII [5]	H2 2024	5,300	$ 37,500	No	Apr-30
TBN XV	H2 2024	7,700	$ 57,213	No	Dec-27
			$ 52,238	No	Dec-30
			$ 37,313	No	Dec-32
			$ 27,363	No	Dec-34
			$ 24,875 [23]	No	Dec-36
TBN XVI	H1 2025	7,700	$ 57,213	No	Jan-28
			$ 52,238	No	Jan-31
			$ 37,313	No	Jan-33
			$ 27,363	No	Jan-35
			$ 24,875 [23]	No	Jan-37

Tanker Vessels to be Delivered	Type	Expected Delivery	Capacity (DWT)	Charter-Out Rate[1]	Profit Sharing Arrangements	Expiration Date[3]
TBN IX [24]	Aframax / LR2	H1 2024	115,000	$ 26,366 [22]	No	May-29
TBN X [5]	Aframax / LR2	H2 2024	115,000	$ 26,366 [22]	No	Aug-29
TBN XI [24]	Aframax / LR2	H2 2024	115,000	$ 25,576 [22]	No	Oct-29
TBN XII [5]	Aframax / LR2	H2 2024	115,000	$ 25,576 [22]	No	Dec-29
TBN XIII [5]	Aframax / LR2	H1 2025	115,000	$ 27,798 [22]	No	Mar-30
TBN XIV	Aframax / LR2	H1 2025	115,000	$ 27,798 [22]	No	Jun-30
TBN XXIII	Aframax / LR2	H1 2026	115,000	$ 27,788 [9]	No	Apr-31
TBN XXIV	Aframax / LR2	H1 2026	115,000	$ 27,788 [9]	No	May-31
TBN XXV	Aframax / LR2	H2 2026	115,000	—	—	—
TBN XXVI	Aframax / LR2	H2 2026	115,000	—	—	—
TBN XXVII	Aframax / LR2	H1 2027	115,000	—	—	—
TBN XXVIII	Aframax / LR2	H2 2027	115,000	—	—	—
TBN XVII [6]	MR2 Product Tanker	H2 2025	52,000	$ 22,959	No	Nov-30
TBN XVIII [6]	MR2 Product Tanker	H1 2026	52,000	$ 22,959	No	May-31
TBN XIX [6]	MR2 Product Tanker	H2 2026	52,000	—	—	—
TBN XX [6]	MR2 Product Tanker	H1 2027	52,000	—	—	—
TBN XXI [6]	MR2 Product Tanker	H1 2027	52,000	—	—	—
TBN XXII [6]	MR2 Product Tanker	H1 2027	52,000	—	—	—

(1) Daily charter-out rate per day, net of commissions.

(2) Index rates exclude commissions.

(3) Estimated dates assuming the midpoint or Company's estimate of the redelivery period by charterers.

(4) Bareboat charter based on adjusted TD3C-WS with floor $26,730 and collar at $36,630.

(5) The vessel is subject to a sale and leaseback transaction with a purchase obligation at the end of the lease term.

(6) The vessel is subject to a bareboat contract with a purchase option at the end of the contract.

(7) Charterer's option to extend charter for one year at $24,900 net per day.

(8) The premium for when the vessel is trading on ice or follow ice breaker is $1,481 per day.

(9) Charterer's option to extend the charter for one year at $29,738 net per day plus one year at $31,200 net per day.

(10) Charterer's option to extend the charter for one year at $27,913 net per day.

(11) Charterer's option to extend the charter for one year at $16,540 net per day plus one year at $17,528 net per day.

(12) Rate based on pool earnings.

(13) Charterer's option to extend the charter for one year at $40,950 net per day.

(14) The vessel is subject to a bareboat contract with a purchase obligation at the end of the contract.

(15) Vessel agreed to be sold.

(16) Profit sharing arrangement of 35% above $54,388, 40% above $59,388 and 50% above $69,388.

(17) Charterer's option to extend the bareboat charter for five years at $29,751 net per day.

(18) Bareboat charter based on adjusted TD3C-WS with floor $22,572 and collar at $29,700.

(19) The vessel is subject to a charter-in agreement with a purchase option at the end of the agreement, classified as a finance lease.

(20) Charterer's option to extend charter for one year at $15,200 net per day.

(21) Option to acquire the vessel has been declared.

(22) Charterer has the option to extend for five further one-year options at rates increasing by $1,234 net per day each year.

(23) Charterer's option to extend charter for two years at $24,875 net per day.

(24) The vessel is subject to a sale and leaseback transaction with a purchase option at the end of the lease term.

(25) The vessel is subject to a bareboat charter-out contract.

Our Competitive Strengths

We believe that our future prospects for success are enhanced by the following aspects of our business:

- *Strength through Diversification.* Our diversified platform provides stable entity-level returns for unitholders despite uneven sector performance.

We have opted to fix our container fleet on long-term charters with almost 92.1% of our available containership days fixed for 2024. This reduces market and residual risk for these vessels. We manage the credit risk of the long-term charters independently to ensure we are not simply trading one risk for another. In our dry bulk fleet, we benefit from a market where rates are recovering. We have fixed 51.4% of our available drybulk fleet days for 2024 (excluding index linked days) and have opted to keep 48.6% of our 2024 available days exposed to market rates to capture any available upside. Our chartering strategy also allows us to fix our drybulk fleet on long-term charters when rates do improve. Within tankers, we have 82.5% of our 2024 available tanker days fixed (excluding index linked days).

Capturing cyclical opportunity that allows for optimal capital allocation. For example, we expected to make an approximately $1.7 billion investment in 28 newbuilding vessels that will be delivered to our fleet through 2027. Of these acquisitions, we used the strength of the container market to acquire ten newbuilding containerships. We hedged our financial investment by entering into long-term, creditworthy charters for these vessels. In 2023 and during the first quarter of 2024, six Aframax/LR2 tankers (two of which were chartered long-term) were acquired as well as four MR2 product tankers. We also look to opportunistically sell vessels when we can avail of a good return to reallocate capital.

- *Stable cash flows.* We have scale through a larger, diversified asset base that has an increased earnings capacity. We have a good credit profile by increasing cash flow to support our growth, fleet renewal and deleveraging initiatives. We opportunistically seek to fix our vessels longer term during market highs and for shorter periods during market lows to avail of any market upturn.

- *Strong relationship with our Managers.* We believe our relationship with our Managers provides us with numerous benefits that are key to our long-term growth and success. Our Managers' commercial expertise, reputation within the shipping industry and their network of strong relationships with many of the world's dry cargo raw material producers, agricultural traders and exporters, commodity traders, oil companies, liner operators, industrial end-users, shipyards and shipping companies. We benefit from the Managers' expertise in technical management, which offers efficient operations and maintenance for our vessels at fixed rates. The Managers' expertise in fleet management is reflected in their history of low number of off-hire days and in their clean record of no material incidents resulting in pollution or loss of life.

- *High-quality, diversified fleet*. Our diversified fleet, which includes Capesize, Kamsarmax, Panamax, Ultra-Handymax and Transhipper drybulk vessels, VLCC and product tankers and Feeder, baby Panamax to Neo Panamax containerships allows us to serve our customers' transportation needs for dry and liquid commodities and finished goods. Capesize vessels transport mainly iron ore and coal, to industrial users principally in China. Kamsarmax, Panamax and Ultra-Handymax vessels carry coal and grain and other bulk commodities worldwide. Our recently converted Ultra-Handymax vessel performs transshipment services in South America that will enable more economic exports of drybulk cargoes from the Hidrovia region. VLCC tankers transport crude oil and operate on primarily long–haul trades from the Arabian Gulf or the Atlantic basin to the Far East, North America and Europe. Product tankers transport a large number of different refined oil products, such as naphtha, gasoline, kerosene, jet fuel and gasoil, and principally operate on short– to medium–haul routes. Feeder containerships operate worldwide on short haul trips moving containers from smaller ports to transshipment hubs where the containers are placed on larger containerships for long haul trips from the Far East to Europe or North America. Baby Panamaxes engage in intra ocean trade in the Far East and Indian Subcontinent as well as long haul trades to North America, South America and Africa. Neo Panamax containerships serve long haul routes from the Far East to North America and Europe. We believe that our fleet of vessels servicing the drybulk, transshipment, tanker and container transportation sectors provides us with a more balanced exposure to the commodities and goods we transport and a diversified platform for revenue generation.

Our fleet has an average age of 9.6 years as of March 19, 2024, on a dwt and fully delivered fleet basis, (average age of 10.7 years for drybulk fleet, 11.1 years for containerships fleet and 7.4 years for the tanker fleet), compared to a current industry average age of about 12.1 years for the drybulk fleet, 14.1 years for the containerships fleet and 13.1 years for the tanker fleet (all industry averages as of March 2024). Our large asset base provides us a significant buffer of collateral value.

Business Strategies

Our primary business strategies are the following:

- *Strategically manage sector exposure.* We operate a fleet of dry bulk, tanker and containership vessels, which we believe provides us with diverse opportunities with a range of producers and consumers. As we grow and renew our fleet, we expect to adjust our relative emphasis among the dry bulk, tanker and containership sectors according to our view of the relative opportunities present in each sector. We believe that having a mixed fleet provides the flexibility to adapt to changing market conditions and will allow us to capitalize on sector–specific opportunities through varying economic cycles.

- *Pursue stable cash flows through long-term charters for our fleet.* We believe that we are a safe, cost-efficient operator of modern and well-maintained dry bulk, tanker and containership vessels. We also believe that these attributes, together with our strategy of proactively working towards meeting our customers' chartering needs, will build us long term customer relationships. Where possible, we will also seek profit sharing arrangements in our time charters, to provide us with potential incremental revenue above the contracted minimum charter rates. Depending on the then applicable market conditions, we intend to deploy our vessels to leading charterers on a mix of long, medium and short-term time contracts, with a greater emphasis on long-term charters paired with profit sharing, when available. We believe a flexible chartering strategy will afford us opportunities to capture increased profits during strong charter markets, while continuing to benefit from the stable cash flows and high utilization rates associated with longer-term time charters. As of March 19, 2024, the vessels in our fleet have an average remaining charter duration of approximately 2.0 years, which we will continuously seek to improve.

- *Actively manage our fleet to maximize return on capital over market cycles.* We plan to actively manage the size and composition of our fleet through our vessel purchase and sale activities in an effort to achieve sizeable returns on invested capital. Using our Managers' global network of relationships and extensive experience in the maritime transportation industry, coupled with our Managers' shipping and financial expertise, we plan to opportunistically grow and renew our fleet through the timely and selective acquisition of high-quality newbuilding or secondhand vessels when we believe those acquisitions will result in attractive returns on invested capital. We also intend to engage in opportunistic sales to avail ourselves of attractive values available through market cycles.

- *Provide superior customer service by maintaining high standards of performance, reliability and safety.* Our customers seek transportation partners that have a reputation for high standards of performance, reliability and safety. We intend to use the Managers' operational expertise and customer relationships to further expand a sustainable competitive advantage with consistent delivery of superior customer service.

- *Benefit from our Managers' risk management practices and corporate managerial support.* Risk management requires the balancing of a number of factors in a cyclical and potentially volatile environment. In part, this requires a view of the overall health of the markets, as well as an understanding of capital costs and returns. The Managers actively engage in assessing financial and other risks associated with fluctuating market rates, fuel prices, credit risks, interest rates and foreign exchange rates. The Managers closely monitor credit exposure to charterers and other counterparties and have established policies designed to ensure that contracts are entered into with counterparties that have appropriate credit history. We believe that Navios Partners benefits from these established policies

- *Sustain a competitive cost structure.* Pursuant to our Management Agreements with the Managers, the Managers coordinate and oversee the commercial, technical and administrative management of our fleet. We believe that the Managers are able to do so at rates competitive with those that would be available to us through independent vessel management companies. For example, pursuant to our Management Agreements with the Managers, vessel operating expenses of our vessels are agreed through January 1, 2025. We believe this provides us with cost visibility.

Our Customers

We provide or will provide seaborne shipping services under long-term time charters with customers that we believe are creditworthy. For the years ended December 31, 2023 and 2022, no customer accounted for 10.0% or more of our total revenues. For the year ended December 31, 2021, Singapore Marine represented approximately 14.5% of our total revenues. No other customers accounted for 10.0% or more of total revenues for any of the years presented.

Although we believe that if any one of our charters were terminated, we could recharter the related vessel at the prevailing market rate relatively quickly, the permanent loss of a significant customer or a substantial decline in the amount of services requested by a significant customer could harm our business, financial condition and results of operations if we were unable to recharter our vessel on a favorable basis due to then-current market conditions, or otherwise.

Competition

The drybulk shipping market is extensive, diversified, competitive and highly fragmented, divided among approximately 2,609 independent drybulk carrier owners. The world's active drybulk fleet consists of approximately 13,633 vessels, aggregating approximately 1.009 billion dwt as of March 1, 2024. As a general principle, the smaller the cargo carrying capacity of a drybulk carrier, the more fragmented is its market, both with regard to charterers and vessel owner/operators. Even among the larger drybulk owners and operators, whose vessels are mainly in the larger sizes, only eleven companies are known to have fleets of 100 dry bulk vessels or more: COSCO Shipping, Nippon Yusen Kaisha, Wisdom Marine, China Development Bank, Starbulk Carriers, Pacific Basin Shipping, Fredriksen Group, Nisshin Shipping, China Merchants, Oldendorff Carriers and K-Line. There are about 39 owners known to have fleets of between 40 and 97 vessels. However, vessel ownership is not the only determining factor of fleet control. Many owners of bulk carriers charter their vessels out for extended periods, not just to end users (owners of cargo), but also to other owner/operators and to tonnage pools. Such operators may, at any given time, control a fleet many times the size of their owned tonnage. Such operators include Cargill, Pacific Basin Shipping, Bocimar, Zodiac Maritime, Louis Dreyfus/Cetragpa, Cobelfret, Torvald Klaveness and Swiss Marine.

The container shipping market is extensive, diversified, competitive and fragmented, divided among approximately 807 liner operators and independent owners. The world's active containership fleet consists of approximately 6,188 vessels, aggregating approximately 28.334 million TEU as of March 1, 2024. As a general principle, the smaller the cargo carrying capacity of a containership, the more fragmented is its market, both with regard to charterers and vessel owner/operators. Even among the larger liner companies and containership owners and operators, whose vessels are mainly in the larger sizes, only ten companies are known to control fleets of 97 vessels or more: Mediterranean Shipping Co. (MSC), AP Moller, CMA CGM, COSCO Shipping, Atlas Corp (former Seaspan), Evergreen, Wan Hai Lines, Hapag Lloyd, SITC and PIL. There are about 40 owners known to control fleets of between 28 and 90 vessels. However, vessel ownership is not the only determining factor of fleet control. Liner companies, who control the movement of containers on land and at sea, own vessels directly and charter in vessels on short and long-term charters. Many owners/managers of containerships charter their vessels out for extended periods but do not control the movement of any containers, the so called tonnage providers. Liner companies may, at any given time, control a fleet many times the size of their owned tonnage. MSC and AP Moller are such liner operators; whereas Danaos, Costamare, Peter Dohle, Atlas/Seaspan and others including Navios Partners are tonnage providers.

The tanker shipping market is extensive, diversified, competitive and fragmented, divided among approximately 3,844 oil companies, operators and independent owners. The world's active tanker fleet over 10,000 DWT consists of approximately 7,578 vessels, aggregating approximately 691 million DWT as of March 1, 2024. As a general principle, the smaller the cargo carrying capacity of a tanker, the more fragmented is its market, both with regard to charterers and vessel owner/operators. Even among the larger oil companies, tanker owners and operators, whose vessels are mainly in the larger sizes, only eleven companies are known to control fleets of 95 vessels or more: COSCO Shipping, Mitsui OSK Lines, China Merchants, Fredriksen Group, Scorpio Group, Pertamina, BW Group, Sinokor Merchant, SCF Group, Dynacom and Stolt-Nielsen. There are about 39 owners known to control fleets of between 32 and 88 vessels. However, vessel ownership is not the only determining factor of fleet control. Oil and trading companies, who control the movement of crude oil and petroleum products on land and at sea, own vessels directly and charter in vessels on short and long-term charters. Many owners/managers of tankers charter their vessels out for extended periods but do not control the movement of any crude or products. Oil companies or trading companies may, at any given time, control a fleet many times the size of their owned tonnage. Saudi Aramco, Exxon, Shell and Chevron are such oil companies; whereas Vitol, Trafigura and Glencore are traders trading crude oil and product cargoes worldwide. These companies leverage their own cargo base and controlled fleets to optimize their fleet trading strategies.

In addition, a number of large pool operators such as Tankers International, Navig8 and Scorpio Group control substantial fleets in each market segment and have preferential access to cargoes and the ability to optimize vessel chartering through economies of scale and superior market information.

It is likely that we will face substantial competition for long-term charter business from a number of experienced companies. Many of these competitors will have significantly greater financial resources than we do. It is also likely that we will face increased numbers of competitors entering into our transportation sectors, including in the container, tanker and drybulk sectors. Many of these competitors have strong reputations and extensive resources and experience. Increased competition may cause greater price competition, especially for long-term charters.

Time Charters

A time charter is a contract for the use of a vessel for a fixed period of time at a specified daily rate. Under a time charter, the vessel owner provides crewing and other services related to the vessel's operation, the cost of which is included in the daily rate and the customer is responsible for substantially all of the vessel voyage costs. The vessels in our fleet are generally hired out under time charters, and we intend to continue to hire out our vessels under time charters. The following discussion describes the material terms common to all of our time charters.

Basic Hire Rate

"Basic hire rate" refers to the basic payment from the customer for the use of the vessel. The hire rate is generally payable semi-monthly, in advance, in U.S. dollars as specified in the charter.

Expenses

The charterer generally pays the voyage expenses, which include all expenses relating to particular voyages, including any bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions.

Off-hire

When the vessel is "off-hire," the charterer generally is not required to pay the basic hire rate, and we are responsible for all costs. A prolonged off-hire may lead to vessel substitution or termination of the time charter. A vessel generally will be deemed off-hire if there is a loss of time due to, among other things:

- operational deficiencies; drydocking for repairs, maintenance or inspection; equipment breakdowns; or delays due to accidents or deviations from course, crewing strikes, labor boycotts, certain vessel detentions or similar problems, occurrence of hostilities in the vessel's flag state or in the event of piracy, a natural or man-made event of force majeure; or

- the ship owner's failure to maintain the vessel in compliance with its specifications and contractual standards or to provide the required crew.

Under some of our charters, the charterer is permitted to terminate the time charter if the vessel is off-hire for an extended period, which is generally defined as a period of 90 or more consecutive off-hire days. Under some circumstances, an event of force majeure may also permit the charterer to terminate the time charter or suspend payment of charter hire.

Termination

We are generally entitled to suspend performance under the time charters covering our vessels if the customer defaults in its payment obligations. Under some of our time charters, either party may terminate the charter in the event of war in specified countries or in locations that would significantly disrupt the free trade of the vessel. Some of our time charters covering our vessels require us to return to the charterer, upon the loss of the vessel, all advances paid by the charterer but not earned by us.

Classification, Inspection and Maintenance

Every sea going vessel must be "classed" by a classification society. The classification society certifies that the vessel is "in class," signifying that the vessel has been built and maintained in accordance with the rules of the classification society and complies with applicable rules and regulations of the vessel's country of registry and the international conventions of which that country is a member. In addition, where surveys are required by international conventions and corresponding laws and ordinances of a flag state, the classification society will undertake them on application or by official order, acting on behalf of the authorities concerned.

The classification society also undertakes, on request, other surveys and checks that are required by regulations and requirements of the flag state. These surveys are subject to agreements made in each individual case or to the regulations of the country concerned. For maintenance of the class, regular and extraordinary surveys of hull, machinery (including the electrical plant) and any special equipment classed are required to be performed as follows:

- *Annual Surveys:* For seagoing ships, annual surveys are conducted for the hull and the machinery (including the electrical plant) and, where applicable, for special equipment classed, at intervals of 12 months from the date of commencement of the class period indicated in the certificate.

- *Intermediate Surveys:* Extended annual surveys are referred to as intermediate surveys and typically are conducted two and a half years after commissioning and each class renewal. Intermediate surveys may be carried out on the occasion of the second or third annual survey.

- *Class Renewal Surveys:* Class renewal surveys, also known as special surveys, are carried out for the ship's hull, machinery (including the electrical plant), and for any special equipment classed, at the intervals indicated by the character of classification for the hull. At the special survey, the vessel is thoroughly examined, including audio-gauging, to determine the thickness of its steel structure. Should the thickness be found to be less than class requirements, the classification society would prescribe steel renewals. The classification society may grant a one-year grace period for completion of the special survey. Substantial amounts of money may have to be spent for steel renewals to pass a special survey if the vessel experiences excessive wear and tear. In lieu of the special survey every four or five years, depending on whether a grace period was granted, a ship owner has the option of arranging with the classification society for the vessel's integrated hull or machinery to be on a continuous survey cycle, in which every part of the vessel would be surveyed within a five-year cycle.

Management of Ship Operations, Administration and Safety

Pursuant to the Management Agreements with the Managers and the Administrative Services Agreement with the Manager, we have access to human resources, financial and other administrative functions, including:

- bookkeeping, audit and accounting services;

- administrative and clerical services;

- banking and financial services; and

- client and investor relations.

Technical management services are also provided, including:

- commercial management of the vessel;
- vessel maintenance and crewing;
- purchasing and insurance; and
- shipyard supervision.

For more information on the Management Agreements and the Administrative Services Agreement, please read "Item 7. Major Unitholders and Related Party Transactions" and Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

Crewing

The Managers crew our vessels primarily with Filipino, Ukrainian, Polish, Russian and Indian officers and Filipino, Ethiopian, Indian and Ukrainian seamen. For these nationalities, officers and seamen are referred to the Managers by local crewing agencies. The Managers are also responsible for travel and payroll of the crew. The crewing agencies handle each seaman's training. The Managers require that all of its seamen have the qualifications and licenses required to comply with international regulations and shipping conventions.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage, business interruption due to political circumstances in foreign countries, hostilities, and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. The OPA (as defined below), which imposes virtually unlimited liability upon owners, operators and demise charterers of any vessel trading in the United States exclusive economic zone for certain oil pollution accidents in the United States, has made liability insurance more expensive for ship owners and operators trading in the U.S. market. While we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull and Machinery and War Risk Insurances

We have marine hull and machinery and war risk insurance, which include coverage of the risk of actual or constructive total loss, for all of our owned vessels. Each of the owned vessels is covered up to at least fair market value, with a deductible of approximately $0.6 million for dry bulk, containers and tanker vessels for the hull and machinery insurance. We have also extended our war risk insurance to include war loss of hire for any loss of time to the vessel, including for physical repairs, caused by a warlike incident and piracy seizure for up to 270 days of detention / loss of time under customary deductibles.

We have arranged, as necessary, increased value insurance for our vessels. With the increased value insurance, in case of total loss of the vessel, we will be able to recover the sum insured under the increased value policy in addition to the sum insured under the hull and machinery policy. Increased value insurance also covers excess liabilities that are not recoverable in full by the hull and machinery policies by reason of underinsurance. We do not expect to maintain loss of hire insurance for our vessels. Loss of hire insurance covers business interruptions that result in the loss of use of a vessel.

Protection and Indemnity Insurance

Protection and indemnity insurance is expected to be provided by mutual protection and indemnity associations, or P&I Associations, who indemnify members in respect of discharging their tortious, contractual or statutory third-party legal liabilities arising from the operation of an entered ship. Such liabilities include but are not limited to third-party liability and other related expenses from injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal. Protection and Indemnity insurance does not automatically cover liabilities that arise from illegal activity by an officer or a crewmember, although coverage may be provided at the discretion of the carrier. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations and always provided in accordance with the applicable associations' rules and members' agreed terms and conditions.

Navios Partners' fleet is currently entered for protection and indemnity insurance with International Group associations where, in line with all International Group Clubs, coverage for oil pollution is limited to $1.0 billion per event. The 12 P&I Associations that comprise the International Group insure approximately 95% of the world's commercial tonnage and have entered into a pooling agreement to collectively reinsure each association's liabilities. Each vessel that Navios Partners acquires will be entered with P&I Associations of the International Group. Under the International Group reinsurance program for the current policy year, each P&I club in the International Group is responsible for the first $10.0 million of every claim. In every claim the amount in excess of $10.0 million and up to $100.0 million is shared by the clubs under the pooling agreement. Any claim in excess of $100.0 million is reinsured by the International Group in the international reinsurance market under the General Excess of Loss Reinsurance Contract. This policy currently provides an additional $2.0 billion of coverage for non-oil pollution claims. Further to this, an additional reinsurance layer has been placed by the International Group for claims up to $1.0 billion in excess of $2.1 billion, i.e. $3.1 billion in total. For passengers and crew claims, the overall limit is $3.0 billion for any one event on any one vessel with a sub-limit of $2.0 billion for passengers. With the exception of pollution, passenger or crew claims, should any other P&I claim exceed Group reinsurance limits, the provisions of all International Group Club's overspill claim rules will operate and members of any International Group Club will be liable for additional contributions in accordance with such rules. To date, there has never been an overspill claim, or one even nearing this level.

As a member of the P&I Associations, which is a member of the International Group, Navios Partners will be subject to calls payable to the associations based on the individual fleet record, the associations' overall claim records as well as the claim records of all other members of the individual associations, and members of the pool of P&I Associations comprising the International Group. The P&I Associations' policy year commences on February 20th. Calls are levied by means of Estimated Total Premiums ("ETP") and the amount of the final installment of the ETP varies according to the actual total premium ultimately required by the club for a particular policy year. Members have a liability to pay supplementary calls which might be levied by the board of directors of the club if the ETP is insufficient to cover amounts paid out by the club.

Should a member leave or entry cease with any of the associations, at the Club's Managers discretion, they may be liable to pay release calls or provide adequate security for the same amount. Such calls are levied in respect of potential outstanding Club/Member liabilities on open policy years and include but are not limited to liabilities for deferred calls and supplementary calls.

Uninsured Risks

Not all risks are insured and not all risks are insurable. The principal insurable risks which nonetheless remain uninsured across our fleet are "loss of hire" and "strikes," except in cases of loss of hire due to war or a piracy event or due to presence or suspected presence of contraband on board. Specifically, Navios Partners does not insure these risks because the costs are regarded as disproportionate. These insurances provide, subject to a deductible, a limited indemnity for hire that would not be receivable by the ship owner for reasons set forth in the policy. Should a vessel on time charter, where the vessel is paid a fixed hire day by day, suffer a serious mechanical breakdown, the daily hire will no longer be payable by the charterer. The purpose of the loss of hire insurance is to secure the loss of hire during such periods. In the case of strikes insurance, if a vessel is being paid a fixed sum to perform a voyage and the ship becomes strike bound at a loading or discharging port, the insurance covers the loss of earnings during such periods.

However, in some cases when a vessel is transiting high risk war and/or piracy areas, we arrange war loss of hire insurance to cover up to 270 days of detention/loss of time. When our charterers engage in legally permitted trading in locations which may still be subject to sanctions or boycott, such as Iran or Syria, our insurers may be contractually or by operation of law prohibited from honoring our insurance contract for such trading, which could result in reduced insurance coverage for losses incurred by the related vessels. Furthermore, our insurers and we may be prohibited from posting or otherwise be unable to post security in respect of any incident in such locations, resulting in the loss of use of the relevant vessel and negative publicity for our Company which could negatively impact our business, results of operations, cash flows and unit price.

There are no deductibles for the war loss of hire cover in case of piracy and contraband cover.

Even if our insurance coverage is adequate to cover our losses, if we suffer a loss of a vessel, we may not be able to obtain a timely replacement for any lost vessel. Furthermore, in the future, we may not be able to obtain adequate insurance coverage at reasonable rates for our fleet. For example, more stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also on the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage. A catastrophic oil spill or marine disaster could exceed our insurance coverage, which could have a material adverse effect on our business, results of operations and financial condition. Any uninsured or underinsured loss could harm our business and financial condition. In addition, the insurance may be voidable by the insurers as a result of certain actions, such as vessels failing to maintain required certification

Regulation

Sources of Applicable Maritime Laws and Standards

Shipping is one of the world's most heavily regulated industries, as it is subject to both governmental regulation and rigorous industry standards. The governmental regulations to which we are subject include local and national laws and regulations, as well as international conventions promulgated by the International Maritime Organization ("IMO"), the United Nations agency governing the maritime sector. We are also subject to regulation by ship classification societies and industry associations, which often have independent standards. In the United States, increasingly, in Europe and Australia, the national, state, and local laws and regulations may be more stringent than international conventions, as well as industry standards. Violations of these laws, regulations, conventions, as implemented by various countries, and other requirements could result in regulatory sanctions, civil or criminal fines or penalties, delays, and detentions.

The primary areas of maritime laws and standards to which we are subject include environment, safety, and security, as provided in detail below.

International Conventions and Standards

The IMO is the United Nations agency with jurisdiction over maritime safety and the prevention of pollution by ships. The IMO has adopted several international conventions concerned with preventing, reducing, or managing pollution from ships, as well as ship safety and security. The most significant of these are described below.

• MARPOL

The International Convention for the Prevention of Pollution from Ships or "MARPOL" is the primary international convention governing vessel pollution prevention and response. MARPOL includes six annexes concerning operational pollution by oil, noxious liquid substances ("NLS"), harmful substances, sewage, garbage and air emissions. Specifically, these annexes contain regulations for the prevention of pollution by oil (Annex I), by noxious liquid substances in bulk (Annex II), by harmful substances in packaged forms within the scope of the International Maritime Dangerous Goods Code (Annex III), by sewage (Annex IV), by garbage (Annex V), and by air emissions, including sulfur oxides ("SOx"), nitrogen oxides ("NOx"), and particulate matter (Annex VI). The annexes also contain recordkeeping and inspection requirements. Port State or the vessel's flag State may impose fines and penalties for MARPOL violations, particularly for improper discharges into the air or water.

Under MARPOL Annex I, our ships are required to have an International Oil Pollution Prevention ("IOPP") Certificate and a Shipboard Oil Pollution Emergency Plan; under Annex IV, an International Sewage Pollution Prevention Certificate; under Annex V, a Garbage Management Plan; and under Annex VI, an International Air Pollution Prevention Certificate issued by their flag States, among other requirements, some of which must be approved by their flag States. Additionally, Annex II separates NLS into three categories (X, Y, and Z), depending upon the seriousness of the hazard presented, and Annex III contains requirements for safe handling of packaged substances that represent a serious risk to the environment, as well as guidelines for identification of harmful substances. For example, any relevant documents, such as the ship's manifest, must identify the substances carried, if any, aboard our vessels.

MEPC 75 approved draft amendments to MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil ("HFO") by ships in Arctic waters on and after July 1, 2024. The draft amendments introduced at MEPC 75 were adopted at the MEPC 76 session in June 2021 and entered into force in November 2022, with the requirements for Energy Efficiency Existing Ship Index ("EEXI") and Carbon intensity indicator ("CII") certification coming into effect from January 1, 2023. MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of Black Carbon emissions from ships when operating in or near the Arctic.

In January 2013, MARPOL introduced mandatory measures related to energy efficiency for ships. All ships are now required to develop and implement Ship Energy Efficiency Management Plans ("SEEMP"), and new ships must meet minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index ("EEDI"). By 2025, all new ships will be 30% more energy efficient than those built in 2014.

MEPC 75 adopted amendments to MARPOL Annex VI that would change the effective date for the EEDI's phase 3 requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships and LNG carriers.

Additionally, MEPC 75 introduced draft amendments to Annex VI which impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new EEXI, and (2) operational carbon intensity reduction requirements, based on a new CII. The attained EEXI is required to be calculated for ships of 400 gross tons and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments require ships of 5,000 gross tons to document and verify their actual annual operational CII achieved against a determined required annual operational CII.

MEPC 79 adopted amendments to MARPOL Annex VI, Appendix IX to include the attained and required CII values, the CII rating and attained EEXI for existing ships in the required information to be submitted to the IMO Ship Fuel Oil Consumption Database. The amendments will enter into force on May 1, 2024.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

The emissions standards for SOx under MARPOL Annex VI are 0.5% worldwide (down from the pre-2020 level of 3.5%). These requirements are in addition to EU Directive 2005/33/EC, which has required all vessels to changeover to 0.1% sulfur fuel oil when 'at berth' in EU and European Economic Area ("EEA") ports since 2010.

Moreover, IMO regulations also allow for special emissions control areas ("ECAs") to be established with more stringent controls on emissions of 0.1% sulfur, particulate matter, and nitrogen oxide emissions. Thus, the 0.5% sulfur content requirement applies outside the ECAs. Ships may comply with these requirements either by operating on fuel with 0.5% sulfur content or through the installation of pollution control equipment (exhaust gas cleaning systems), which allows the vessel to use high sulfur content fuel and limits emissions. Certain vessels must be modified in order to use 0.5% sulfur fuel, which results in operational costs; however, the installation of scrubbers also can be capital intensive.

At present, ECAs have been formally adopted for the Baltic Sea area (limits SOx emissions only subject to the 2017 amendments described below); the North Sea area including the English Channel (limiting SOx emissions only subject to the 2017 amendments described below); the North American ECA (limiting SOx, nitrogen oxides ("NOx"), and particulate matter emissions); and the U.S. Caribbean ECA (limiting SOx, NOx, and particulates). The IMO designated the North Sea and Baltic Sea as ECAs for NOx under Annex VI as well, which took effect in January 2021 for new vessels constructed on or after January 1, 2021 or existing vessels that replace an engine with non-identical engines, or install an additional engine.

Despite Annex VI's extensive regulations, some jurisdictions have taken unilateral approaches to air emissions regulation. For example, the U.S. state of California's California Air Resources Board ("CARB") has adopted the California Ocean-Going Vessel Fuel Regulation on July 24, 2008, which contains more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil, extending out to 24 nautical miles, thus prohibiting the use of exhaust gas cleaning systems.

China has also established local emissions control areas: the Pearl River Delta, the Yangtze River Delta, and Bohai Bay. While the Chinese areas are currently consistent with international standards in terms of requiring a 0.5% sulfur content, certain Chinese local emissions control areas such as inland waterways, coastal emission control areas and Hainan waters have a 0.1% sulfur limit in force. Similarly, South Korea has established Port Air Quality Control Zones, which cap the sulfur content of fuel at 0.1%. South Korea's Ministry of Oceans and Fisheries designated South Korea's port areas in in Busan, Ulsan, Yeosu, Gwangyang, Incheon and Pyeongtaek-Dangjin as ECA areas and as of January 1, 2022, the 0.1 % sulfur limit extends to all vessels from the moment of entering until the moment of exiting the Korean ECA.

In addition, certain jurisdictions in which we trade may have not adopted all of the MARPOL annexes, and some may have established various national, regional, or local laws and regulations that apply to these areas.

• Ballast Water

The IMO, as well as jurisdictions worldwide acting outside the scope of the IMO, have implemented requirements relating to the management of ballast water to prevent the harmful effects of foreign invasive species. The IMO's International Convention for the Control and Management of Ships' Ballast Water and Sediments (the "BWM Convention") entered into force on September 8, 2017. The BWM Convention requires ships to manage ballast water in a manner that removes, renders harmless, or avoids the uptake or discharge of aquatic organisms and pathogens within ballast water and sediment. As of March 5, 2024, the BWM Convention had 97 contracting States, representing 92.99% of the world's gross tonnage.

As amended, the BWM Convention requires, among other things, ballast water exchange until ballast water treatment systems are required, the maintenance of certain records, and the implementation of a Ballast Water and Sediments Management Plan. It also requires the installation of ballast water management systems for existing ships by certain deadlines.

Ships constructed prior to September 8, 2017, must install ballast water management systems by the first renewal survey after September 8, 2017 and comply with IMO discharge standards by the due date for their IOPP Certificate renewal survey under MARPOL Annex I. Ships constructed after September 8, 2017 are required to comply with the BWM Convention upon delivery. All ships must meet the IMO ballast water discharge standard by September 8, 2024, regardless of construction date. Updated guidance for Ballast Water and Sediments Management Plan includes more robust testing and performance specifications. At the MEPC 80 Session in July 2023, the MEPC adopted amendments to appendix II of the Annex to the BWM Convention (Form of Ballast Water Record Book). These will enter into force on February 1, 2025. The United States is not party to the BWM Convention, but has similar, though not identical, requirements. Ships operating in U.S. waters must comply with U.S. ballast water regulations.

• Pollution Liability Regimes

Several international conventions impose and limit pollution liability from vessels. An owner of a tank vessel carrying a cargo of "persistent oil," as defined by the International Convention for Civil Liability for Oil Pollution Damage (the "CLC"), is subject to strict liability for any pollution damage caused in a contracting state by an escape or discharge from cargo or bunker tanks. There is a financial limit on this liability, which is calculated by reference to the tonnage of the ship. The right to limit liability may be lost if the spill is caused by the ship owner's intentional or reckless conduct. Liability may also be incurred under the CLC for a bunker spill from the vessel even when it is not carrying such cargo if the spill occurs while it is in ballast. However, certain states have only ratified earlier iterations of the CLC, which have a lower liability limit, restrict the area in which the convention is applicable, and only cover spills from tankers if laden at the time of the spill.

The CLC applies in over 100 jurisdictions around the world. Some countries around the world have ratified an earlier version of the CLC, the "1969 Convention"; while others have not ratified any version of the CLC. Further, it is possible that courts in certain States may interpret the CLC to provide fewer protections than intended based on fault, which can increase our liability in certain areas of the globe.

There is no equivalent international convention in force which would regulate spills of non-persistent petroleum products. As such, when a tanker is carrying refined oil or petroleum products that do not constitute "persistent oil" under the CLC, liability for any pollution damage will fall outside the CLC and will generally depend on domestic laws in the jurisdiction where the spillage occurs, although other international conventions may apply. The same principle applies to any pollution from the vessel in a jurisdiction that is not a party to the CLC. While some states have acceded to the IMO's Hazardous and Noxious Substances by Sea Convention, that Convention is far from the requisite number of contracting states required to enter into force.

For vessel operations not covered by the CLC, including all non-tank vessels in our fleet, international liability for oil pollution may be governed by the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") in addition to local and national environmental laws.

The Bunker Convention entered into force in 2008 and imposes strict liability on shipowners for pollution damage and response costs incurred in contracting States caused by discharges, or threatened discharges, of bunker oil from all classes of ships not covered by the CLC. The Bunker Convention also requires registered owners of ships over a certain tonnage to maintain insurance to cover their liability for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime, including liability limits calculated in accordance with the Convention on Limitation of Liability for Maritime Claims 1976, as amended (the "1976 Convention"). As of March 5, 2024, the Bunker Convention had 107 contracting States, representing 95.02% of the gross tonnage of the world's merchant fleet.

The 1976 Convention is the most widely applicable international regime limiting maritime pollution liability. Rights to limit liability under the 1976 Convention are forfeited where a spill is caused by a shipowner's intentional or reckless conduct. Certain jurisdictions have ratified the IMO's Protocol of 1996 to the 1976 Convention, referred to herein as the "Protocol of 1996." The Protocol of 1996 provides for substantially higher liability limits in those jurisdictions than the limits set forth in the 1976 Convention.

Finally, some jurisdictions are not parties to either the 1976 Convention or the Protocol of 1996, and, therefore, a shipowner's rights to limit liability for maritime pollution in such jurisdictions may be uncertain or subject to national and local law. The United States is not party to these conventions, but has similar, though not identical, regime under the Oil Pollution Act of 1990 ("OPA"). Ships operating in U.S. waters must comply with U.S. regulations under OPA.

• International Safety Regulations

Our vessels also must operate in compliance with the requirements set forth in the IMO's International Convention for the Safety of Life at Sea, as amended, ("SOLAS"), including the International Safety Management Code (the "ISM Code"), which is contained in Chapter IX of SOLAS. Effective, January 1, 2024, new SOLAS Regulation II-1/3-8 will require both new and existing ships to comply with new towing and mooring equipment standards. These regulations are expected to increase the cost of building new vessels (built after January 1, 2024) and will require increased expenditures for compliance, inspection, and certification on existing vessels (keels laid on or after January 1, 2007) of least 3,000 gross tons.

SOLAS was enacted primarily to promote the safety of life and preservation of property. SOLAS, and the regulations and codes of practice thereunder, are regularly amended to introduce heightened shipboard safety requirements into the industry.

The ISM Code requires ship operators to develop and maintain an extensive Safety Management System ("SMS") that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and describing procedures for dealing with emergencies. The ISM Code also requires vessel operators to obtain a Document of Compliance ("DOC") demonstrating that the company complies with the SMS and a Safety Management Certificate ("SMC") for each vessel verifying compliance with the approved SMS by each vessel's flag state. No vessel can obtain an SMC unless the vessel's flag State issues a DOC to the manager.

Non-compliance with the ISM Code and regulations contained in other IMO conventions may subject a shipowner to increased liability, lead to decreases in available insurance coverage for affected vessels, or result in the denial of access to, or detention in, certain ports, which can cause delays. For example, the U.S. Coast Guard and EU authorities have indicated that vessels not in compliance with the ISM Code may be prohibited from trading in ports in the United States and the EU. Each company's DOC and each vessel's SMC must be periodically renewed, and compliance must be periodically verified.

On cybersecurity, IMO Cyber Risk Management Guidelines came into force on January 1, 2021. On June 7, 2022, IMO issued Revision 2 of its Guidelines on Maritime Cyber Risk Management, which provide high-level recommendations to vessel operators to assist in minimizing cybersecurity risks. Pursuant to the IMO's resolution MSC.428(98) administrations are encouraged to ensure that cyber risks are appropriately addressed in existing SMSs.

• Vessel Security - the ISPS Code

In 2002, following the September 11, 2001 terrorist attacks, SOLAS was amended to impose detailed security obligations on vessels and port authorities, most of which are contained in the ISPS Code, which is Chapter XI-2 of SOLAS. Vessels demonstrate compliance with the ISPS Code by having an International Ship Security Certificate issued by their flag State.

Among the various requirements are:

- On-board installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications;
- On-board installation of ship security alert systems;
- Development of Ship Security Plans;
- Appointment of a Ship Security Officer and a Company Security Officer; and
- Compliance with flag State's security certification requirements.

Applicable U.S. Laws

The U.S. Federal Trade Commission ("FTC") continues to consider revisions to its Guides for the Use of Environmental Marketing Claims ("Green Guides"). The public comment period closed on April 24, 2023. The FTC is expected to issue new guidance on both general and specific environmental benefit claims like sustainability, energy use/efficiency, recyclability, climate change and derivative claims like carbon neutral and net zero. The FTC is also considering issuing a rulemaking to give the Green Guides the force of law, as they are currently interpretative guidance under Section 5 of the FTC Act. Revised guides are expected in late 2024 or 2025. The most recent update from the FTC in its November 2023 "Regulatory Review Schedule" states that the relevant rules are currently under review.

• The Act to Prevention Pollution from Ships

The Act to Prevent Pollution from Ships ("APPS") and corresponding U.S. Coast Guard regulations implement several MARPOL annexes in the United States. Violations of MARPOL, APPS, or the implementing regulations can result in liability for civil and/or criminal penalties. Numerous vessel owners and operators, as well as individual ship officers and shoreside technical personnel, have been criminally prosecuted for APPS violations, which may result in significant fines and imprisonment for ship officers.

• Clean Water Act, National Invasive Species Act, Vessel General Permit, and Vessel Incidental Discharge Act.

The Clean Water Act ("CWA") prohibits the discharge of oil or hazardous substances in U.S. navigable waters and imposes penalties for unauthorized discharges without a permit or exemption. The CWA also imposes substantial liability for the costs of removal, remediation and damages.

On May 25, 2023, the Supreme Court of the United States issued a decision in Sackett v. Environmental Protection Agency ("EPA"). The Court concluded that the Clean Water's Act's use of "waters" encompasses only those that are relatively permanent, standing or continuously flowing bodies of water forming geographic features that are known as streams, oceans, rivers, and lakes. The Court also agreed that wetlands are part of the definition of "waters of the United States" when there is a continuous surface connection between the water bodies, such that there is no demarcation of where one begins or ends.

On August 29, 2023, U.S. EPA issued a final rule to amend the January 2023 Rule to conform to the definition of "waters of the United States" adopted by the Supreme Court in Sackett v. EPA. The January 2023 Rule became effective on September 8, 2023. Due to pending litigation in over 24 states on the January 2023 Rule, remaining states are interpretating "waters of the United States" consistent with the pre-2015 regulatory regime and the Sackett decision.

The United States is not a party to the BWM Convention discussed above. Instead, ballast water operations are governed by the National Invasive Species Act ("NISA") and U.S. Coast Guard regulations mandating ballast water management practices for all vessels equipped with ballast water tanks entering U.S. waters, as well as the Vessel General Permit issued by the U.S. EPA under the CWA. In addition, through the CWA certification provisions that allow U.S. states to place additional conditions on EPA's Vessel General Permit, a number of states have implemented a variety of stricter ballast water requirements. The past several years have seen a marked increase in enforcement actions by EPA for alleged violations of the Vessel General Permit.

Depending on a vessel's compliance date for installation of a U.S. Coast Guard type-approved ballast water management system, these requirements may be met by performing mid-ocean ballast exchange, by retaining ballast water onboard the vessel, or by using another ballast water management method authorized by the U.S. Coast Guard. As nearly all vessels approach their compliance date, ballast water exchange will soon no longer be permissible. These U.S. Coast Guard regulations and EPA's Vessel General Permit, however, will ultimately be replaced with the new regulatory regime being developed under the Vessel Incidental Discharge Act ("VIDA") signed into law on December 4, 2018, which is expected to contain similar, though likely more stringent, requirements. VIDA requires that the new standards be at least as stringent as those currently imposed by the 2013 VGP.

VIDA establishes a new framework for regulation of discharges incidental to the normal operation of commercial vessels into navigable waters of the United States, including management of ballast water. VIDA required the EPA to implement a final rule setting forth standards for incidental discharges, including ballast water, by December 4, 2020 and the U.S. Coast Guard to issue a final rule implementing the EPA's standards by December 4, 2022. However, EPA missed the statutory deadline of December 4, 2020. As of March 13, 2024, the EPA states they are targeting September 2024 for publication of the final rule on standards , which is consistent with what EPA was reporting in 2023. This was further agreed in a consent decree resulting from a February 2023 lawsuit brought by environmental groups against the EPA. As such, the overall implementation of VIDA will be delayed compared to its original timeline, including the U.S. Coast Guard's implementation of EPA's final rule on standards, which is scheduled for two years after EPA finalizes its standards. Implementation of VIDA is intended to create more uniformity in state and federal regulation of incidental vessel discharges. The parties entered into a Consent Decree on December 13, 2023, that requires EPA to, no later than September 23, 2024, sign a decision taking final action following notice and comment rulemaking on the October 26, 2020 proposed rulemaking.

The EPA's original proposed rule under VIDA, published on October 26, 2020, would have established both general and specific discharge standards. Although VIDA generally preempts state and local laws, states will have the ability to petition for stricter discharge standards and will have inspection and enforcement authority for the federal standards. The general discharge standards are preventative in nature and apply to all incidental discharges. They are organized into three categories: (1) general operation and maintenance; (2) biofouling management; and (3) oil management. These general standards mandate overall minimization of discharges and prescribe best management practices toward achieving this goal. No training or education requirements are included, as these will be set by the U.S. Coast Guard in its rulemaking once EPA's standards are finalized. EPA's proposal covers 20 incidental discharges from vessels, down from 27 covered by the 2013 VGP. On October 18, 2023, EPA published a Supplemental Notice to the Vessel Incidental Discharge National Standards Performance. The notice shares new ballast water information that EPA received from the U.S. Coast Guard and discusses regulatory options for ballast tanks, hulls and associated niche areas, and graywater systems under consideration for the final rule. Importantly, EPA did not significantly reduce the number of discharges covered, rather combined several discharges into one, taking a more systematic approach to managing the discharges. Two years after the EPA publishes its final standard, the U.S. Coast Guard is required to finalize corresponding implementation, compliance and enforcement regulations for those standards, including any requirements governing the design, construction, testing, approval, installation and use of devices necessary to achieve the EPA standards.

The 2013 VGP requirements remain in effect until such time that the EPA develops new incidental discharge regulations under VIDA and the U.S. Coast Guard develops regulations to implement EPA's standards. If this current schedule holds, VIDA will be implemented in late 2026.

• Oil Pollution Act of 1990 and State Law Regarding Oil Pollution Liability

The United States has a comprehensive regulatory and liability regime for the protection and cleanup of the environment from oil spills from all vessels, including cargo or bunker oil spills from tank vessels. This regime is set forth in the "OPA."

OPA applies to owners and operators whose vessels trade in the United States, its territories and possessions or whose vessels operate in U.S. waters. Under OPA, vessel owners, operators and bareboat charterers are "responsible parties" and are jointly, severally and strictly liable for all containment and clean-up costs. Responsible parties can also be liable for damages, arising from discharges or substantial threats of discharges, of oil from their vessels. Defenses to OPA include asserting that the spill results solely from the act or omission of a third party, an act of God or an act of war, which is determined after-the-fact. As such, responsible parties must respond to a spill immediately irrespective of fault. This strict liability regulatory scheme has made liability insurance in the U.S. more expensive for shipowners and operators trading in the U.S. market.

OPA liability limits are periodically adjusted for inflation, and the U.S. Coast Guard issued a final rule on December 23, 2022, to reflect increases in the Consumer Price Index, which resulted in higher liability limits. These limits took effect on March 23, 2023. OPA limits of liability of the responsible party for non-tank vessels are $1,300 per gross ton or $1,076,000, whichever is greater. For double hull tank vessels, other than edible oil tank vessels and oil spill response vessels, the limits of liability depends upon the size of the vessel. The liability amounts are listed as follows: for a tank vessel greater than 3,000 gross tons, other than a single-hull tank vessel, the greater of $2,500 per gross ton or $21,521,000; and for a tank vessel less than or equal to 3,000 gross tons, other than a single-hull tank vessel, the greater of $2,500 per gross ton or $5,380,300. Under OPA, these liability limits do not apply if an incident was directly caused by violation of applicable U.S. federal safety, construction or operating regulations or by a responsible party's gross negligence or willful misconduct, or if the responsible party fails or refuses to report the incident or to cooperate and assist in connection with oil removal activities.

Under OPA, an owner or operator of a fleet of vessels is required only to demonstrate evidence of financial responsibility in an amount sufficient to cover the vessel in the fleet having the greatest maximum liability under OPA. The Certificate of Financial Responsibility ("COFR") program has been created by the U.S. Coast Guard to ensure that vessels carrying oil as cargo or fuel in the U.S. waters have the financial ability to pay for removal costs and damages resulting from an oil spill or threat of a spill up to their liability limits, which are based on the gross tonnage of our vessels. These limits are subject to annual increases. It is possible for our liability limits to be broken as discussed above, which could expose us to unlimited liability.

A COFR is issued in the name of the company/person financially responsible in the event of a spill or threat of a spill and this is usually the owning company or operator of the vessel. Once they have shown the capability to pay clean-up and damage costs up to the liability limits required by OPA, and a guaranty is issued and then provided to the U.S. Coast Guard, the U.S. Coast Guard will issue a COFR. With a few limited exceptions (not applicable to Navios vessels), vessels greater than 300 gross tons and vessels of any size that are transferring oil or cargoes between vessels or shipping oil in the Exclusive Economic Zone ("EEZ") are required to comply with the COFR regulations in order to operate in U.S. waters.

The guarantor used throughout the Navios fleet is SIGCO/The Shipowners Insurance and Guaranty Company. SIGCO issues the guaranty noted above and confirms that if the responsible party does not respond to an oil spill or threat of a spill, the guarantor will be called upon to provide the funds to do so. This would be rare because any guaranty issued by SIGCO is contingent on protection and indemnity cover.

The COFR is renewed on a three-year basis whereas the COFR guaranty is renewed annually. The U.S. Coast Guard checks that a vessel has a valid COFR prior to or upon entering the U.S. waters. Some states have COFR requirements in addition to the federal requirement under OPA, which may be more stringent than the requirement under OPA.

Trading in the United States without a valid COFR may result in the vessel being detained and/or fined or prevented from entering U.S. ports until the COFR is in place.

We have provided satisfactory evidence of financial responsibility to the U.S. Coast Guard for all of our vessels and all have valid COFRs.

In addition to potential liability under OPA, individual states may impose their own and more stringent liability regimes with regard to oil pollution incidents occurring within their boundaries. Some states' environmental laws impose unlimited liability for oil spills and contain more stringent financial responsibility and contingency planning requirements.

• Comprehensive Environmental Response, Compensation and Liability Act

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") contains a liability regime and provides for cleanup, removal and natural resource damages for the release of hazardous substances (other than oil) whether on land or at sea. Under U.S. law, certain petroleum products which may be carried by our fleet are not considered "oil" and thus are hazardous substances regulated by CERCLA. Thus, in some cases, CERCLA could be applicable to potential cargo spills from our vessels rather than OPA.

Under CERCLA, the owner or operator of a vessel from which there is a release or threatened release of a hazardous substance is liable for certain removal costs, other remedial action, damages due to injury of natural resources, and the costs of any required health assessment for releases that expose individuals to hazardous substances. Liability for any vessel that carries any hazardous substance as cargo or residue is limited to the greater of $300 per gross ton or $5 million. For any other vessel, the limitation is the greater of $300 per gross ton or $500,000. Failure to comply with these requirements may result in daily fines.

These liability limits do not apply if the release resulted from willful misconduct or gross negligence within the privity or knowledge of the responsible person, or from a violation of applicable safety, construction, or operating standards or regulations within the privity or knowledge of the responsible person. In addition, the liability limits also do not apply if the responsible person fails to provide all reasonable cooperation and assistance requested by a responsible public official in connection with response activities conducted under the National Contingency Plan.

Further, any person who is liable for a release or threat of release, and who fails to provide removal or remedial action ordered by the EPA is subject to punitive damages in an amount equal to three times the costs incurred by the federal Superfund trust fund as a result of such failure to act.

• Clean Air Act and Emissions Regulations

The Federal Clean Air Act ("CAA") requires the EPA to develop standards applicable to emissions of volatile organic compounds and other air contaminants. Our vessels are subject to CAA vapor control and recovery standards ("VCS") for cleaning fuel tanks and conducting other operations in regulated port areas.

Also, under the CAA, since 1990 the U.S. Coast Guard has regulated the safety of VCSs that are required under EPA and state rules. Our vessels operating in regulated port areas have installed VCSs that are compliant with EPA, state and U.S. Coast Guard requirements. The U.S. Coast Guard has adopted regulations that made its VCS requirements more compatible with new EPA and state regulations, reflected changes in VCS technology, and codified existing U.S. Coast Guard guidelines.

In December 2023, the U.S. House of Representatives introduced the Renewable Fuel for Ocean-Going Vessels Act which would amend the CAA to include fuel for oceangoing vessels as an additional type of renewable fuel for which credits may be generated under the existing renewable fuel program. This legislation is currently still pending in the House of Representatives.

• State Laws

In the United States, there is always a possibility that state law could be more stringent than federal law. Such is the case with certain state laws concerning marine environmental protection. A few examples include:

- California adopted more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil and prohibiting exhaust gas cleaning systems.

- California adopted regulatory amendments that implement the federal ballast water discharge standards for vessels arriving at California ports, establish operational monitoring and recordkeeping requirements for vessels that use a ballast water treatment system to meet ballast water discharge performance standards, and authorize California State Lands Commission staff to collect ballast water and sediment samples for research purposes and compliance assessments. These changes have been in effect since 2022.

- California also requires the use of shore power or equivalent emissions reductions strategies for vessels at all California ports.

- Vessel owners may in some instances incur liability on an even more stringent basis under state law in the particular state where the spill occurred. For example, many U.S. states have unlimited liability and more stringent requirements for financial responsibility and contingency planning.

- Most states do not have comprehensive laws relating specifically to the discharge of hazardous substances from vessels into state waters as they do for oil discharges, but many states have general water pollution prevention laws that apply to hazardous substances and other materials and others have broadly written hazardous substance cleanup laws based on CERCLA that would provide a cause of action for discharges of hazardous substances from vessels.

• Ship Safety and Security Laws

With respect to ship safety, the requirements contained in SOLAS and the ISM Code generally have been implemented into U.S. law and are largely captured within U.S. Coast Guard regulations.

Ship security in the United States is governed primarily by the Marine Transportation Security Act of 2002 ("MTSA"), which is implemented by U.S. Coast Guard regulations that impose certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States.

Because the MTSA regulations were intended to be aligned with international maritime security standards contained in the ISPS Code, the regulations exempt non-U.S.-flag vessels from MTSA vessel security measures, provided such vessels have on board a valid International Ship Security Certificate ("ISSC") that attests to the vessel's compliance with SOLAS security requirements and the ISPS Code.

Applicable EU Laws

European regulations in the maritime sector are in general based on international law. However, since the Erika incident in 1999 and subsequent court decisions, the European Community has become increasingly active in the field of regulation of maritime safety and protection of the environment. It has been the driving force behind a number of amendments to MARPOL (including, for example, changes to accelerate the timetable for the phase-out of single hull tankers, and to prohibit the carriage in such tankers of heavy grades of oil), and if dissatisfied either with the extent of such amendments or with the timetable for their introduction it has been prepared to legislate on a unilateral basis.

In some instances, EU regulations may impose burdens and costs on shipowners and operators beyond the requirements under international rules and standards.

• Liability for Pollution and Interaction between MARPOL and EU Law

The EU has implemented certain EU-specific pollution laws, most notably a 2005 directive on ship-source pollution. This directive imposes criminal sanctions for pollution caused by intent or recklessness (which would be an offense under MARPOL), as well as by "serious negligence." The directive could therefore result in criminal liability being incurred in a European port state in circumstances where it may not be incurred in other jurisdictions.

• Regulation of Emissions and Emissions Trading System

The EU has an Emissions Trading System ("ETS") that has been approved for the maritime transport sector. Formal adoption occurred in June 2023 and the ETS has been in effect since January 1, 2024.

On 14 July 2021, the European Commission adopted a series of legislative proposals depicting how it intends to achieve climate neutrality in the EU by 2050, including the intermediate target of an at least 55% net reduction in greenhouse gas emissions by 2030. The package proposes to revise several pieces of EU climate legislation, including the EU ETS FuelEU Maritime, Effort Sharing Regulation, transport and land use legislation, setting out in real terms the ways in which the Commission intends to reach EU climate targets under the European Green Deal. The EU ETS will require shipping companies to monitor, report, and verify their emissions, as well as purchase and surrender allowances (i.e., carbon credits) beginning in 2024. The EU ETS will include the monitoring and reporting of CO2 emissions in 2024 and will include methane and nitrous oxide in 2026. The ETS will require the purchase of allowances equal to % carbon emitted, thereby putting a price on emissions (2024 – 40%; 2025 – 70%; 2026 – 100%). The deadline to submit (surrender) allowances will be 30 September of the following year. In general, 100% of emissions on voyages within EU/EEA and while at berth are subject to ETS; and 50% of emissions on voyages in and out of EU/EEA are subject to ETS. In order to reduce the risk of evasion by container ships and the risk of relocation of container transshipment activities outside the EU/EEA, the EU ETS also contain a mitigation measure; stops at "neighboring container transshipment ports" (defined as certain ports located within 300 nautical miles of EU) are also subject to ETS. Vessels entering the EU must report under both EU MRV regulation and IMO Data Collection System.

The penalty for non-compliance with the EU ETS is penalties / fines. Shipping company that has failed to surrender allowances for two or more consecutive periods is also at risk of receiving an expulsion order. This order means ships can be refused entry into EU / EEA ports, and that they can be detained by the Member State the ship is flagged.

• **FuelEU Maritime**

In addition to the EU ETS, the EU has adopted Regulation (EU) 2023/1805 on the use of renewable and low-carbon fuels in maritime transport ("FuelEU Maritime Regulation"). With certain exceptions, the FuelEU Maritime Regulation will apply to ships ships above 5,000 gross tons calling at EU / EEA ports from 1 January 2025. This regulation contains two main requirements; (i) an obligation to use onshore power supply or other zero-emission technology in ports; and (ii) the introduction of increasingly stringent limitations on the carbon intensity of fuels/energy used on board vessels.

The obligation to use onshore power supply or other zero-emission technology in ports will apply from 1 January 2030. The limitations on the carbon intensity of fuels/energy used on board vessels will, however, apply from 1 January 2025. Rather than dictating the type of fuels to be used by the shipping industry, the FuelEU Maritime Regulation requires that the yearly average intensity of the energy used on board ships does not exceed a specific GHG intensity limit. The GHG intensity limit is calculated from a reference value of 91,16 grams of CO2 equivalent per MJ. This reference value will be reduced by a given percentage in certain years; starting with a 2% reduction in 2025 and ending with an 80% reduction in 2050.

Shipping companies will have to document compliance with the FuelEU Maritime Regulation. Compliant shipping companies will receive a "FuelEU Certificate of Compliance", which must be kept onboard the vessels. For vessel which does not meet the annual limits, a penalty system will be established. The penalties will be calculated on the basis of specific rules set out in an annex to the regulation. Generally, these will be based on the amount and cost of renewable and low-carbon fuel that the vessel would have needed to use in order to meet the relevant requirements. If a vessel has failed to present a valid FuelEU Certificate of Compliance for two or more consecutive reporting periods an expulsion order may be issued, with consequences similar to those applicable for EU ETS.

The limitations on the carbon intensity of fuels/energy used on board vessels is calculated based on each individual vessel. However, the FuelEU Maritime Regulation contain certain rules where the compliance balance may be "pooled" for several vessels. It also contains provisions on "borrowing" of advance compliance surpluses (in the event of under-performance), and the possibility to "bank" surpluses (in the event of over-performance). The details related to this, including the best commercial solution in order to ensure compliance, will have to be explored before the rules enter into effect.

• **Ship Recycling and Waste Shipment Regulations**

On December 31, 2018, EU-flagged vessels became subject to Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling (the “EU Ship Recycling Regulation” or “ESRR”) and exempt from Regulation (EC) No. 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (the “European Waste Shipment Regulation” or “EWSR”), which had previously governed their disposal and recycling. The EWSR continues to be applicable to Non-European Union Member State-flagged (“non-EU-flagged”) vessels. Commission Implementing Decision (EU) 2021/1211 of July 22, 2021, amending Implementing Decision (EU) 2016/2323 established the European List of ship recycling facilities pursuant to Regulation (EU) No 1257/2013 of the European Parliament which details additional approved EU and non-EU facilities.

As of December 31, 2020, the ESRR applies to vessels of 500 GT and above flying the flag of an EU/EEA member state, or third party-flagged vessels calling at EU ports. Those vessels will be required to carry an Inventory Hazardous Materials certificate onboard.

The Commission has launched an evaluation of the ESRR. Open consultations and targeted consultations will begin in the first quarter of 2023, with completion expected by the first quarter of 2024.

Under the ESRR, commercial EU-flagged vessels of 500 gross tonnage and above may be recycled only at shipyards included on the European List of Authorised Ship Recycling Facilities (the “European List”). The European List presently includes eight facilities in Turkey, and one facility in the United States, among other European locations, but no facilities in the major ship recycling countries in Asia. The combined capacity of the European List facilities may prove insufficient to absorb the total recycling volume of EU-flagged vessels. This circumstance, taken in tandem with the possible decrease in cash sales, may result in longer wait times for divestment of recyclable vessels as well as downward pressure on the purchase prices offered by European List shipyards. Furthermore, facilities located in the major ship recycling countries generally offer significantly higher vessel purchase prices, and as such, the requirement that we utilize only European List shipyards may negatively impact revenue from the residual values of our vessels.

In addition, the EWSR requires that non-EU-flagged ships departing from European Union ports be recycled only in Organisation for Economic Co-operation and Development (OECD) member countries. In March 2018, the Rotterdam District Court ruled that the sale of four recyclable vessels by third-party Dutch shipowner Seatrade to cash buyers, who then reflagged and resold the vessels to non-OECD country recycling yards, were effectively indirect sales to non-OECD country yards, in violation of the EWSR. If European Union Member State courts widely adopt this analysis, it may negatively impact revenue from the residual values of our vessels and we may be subject to a heightened risk of non-compliance, due diligence obligations and costs in instances in which we sell older ships to cash buyers.

Maritime Decarbonization: Energy Efficiency and Greenhouse Gas Reduction

IMO's Initial Strategy and Recent Developments

The IMO now has mandatory measures for an international greenhouse gas ("GHG") reduction regime for a global industry sector, and recent activity indicates continued interest and regulation in this area in the coming years.

On April 13, 2018, the IMO's Marine Environment Protection Committee ("MEPC") 72 adopted resolution MEPC 304(72) on Initial IMO Strategy on reduction of GHG emissions from ships. The initial strategy aimed to reduce GHG emissions from shipping by 40% by 2030 when compared to 2008 levels. No international regulations have been implemented to achieve such a reduction.

The IMO's initial strategy targeted both reducing gross output and efficiency. In order to reduce emissions and increase shipboard efficiency, the IMO coordinated ways to measure these approaches in two primary ways. First, the technical aspects and design of existing vessels will now be governed by the Energy Efficiency Existing Ships Index ("EEXI"). EEXI regulations provide that an "Attained EEXI" must be calculated for each ship, and a "Required EEXI" for specified ship types. Second, the Carbon Intensity Indicators ("CII") index will now govern every ship's operational efficiency based upon Data Collection System information. Aspects of a vessel's CII will need to be documented under the existing framework of the SEEMP. Ships of 5,000 GT and above were required to revise their SEEMP before January 1, 2023.

These EEXI and CII requirements will be phased in based on a process developed at IMO. In June 2021, MEPC 76 developed various short-term (2018–2023), medium-term (2023–2030), and long-term (2030–2050) measures. It approved a three-phase work plan aimed at supporting the Initial IMO Strategy on Reduction of GHG from Ships and its program of follow-up actions: Phase I – Collation and initial consideration of proposals for measures (Time period: Spring 2021 to Spring 2022); Phase II – Assessment and selection of measures to further develop (Time period: Spring 2022 to Spring 2023); and Phase III – Development of measures to be finalized with agreed target dates (Timeline: Target date(s) to be agreed in conjunction with the IMO Strategy on reduction of GHG emissions from ships).

MARPOL Annex VI amendments entered into force on November 1, 2022, and requirements for EEXI and CII certification went into effect on January 1, 2023. The first annual reporting will be completed in 2023, with the first rating given in 2024. A review clause requires the IMO to review the effectiveness of the implementation of the CII and EEXI requirements, by January 1, 2026, at the latest, and, if necessary, develop and adopt further amendments.

The MEPC 79 session also took further steps to address GHG emissions. In particular, the session adopted amendments to designate the Mediterranean Sea, as a whole, as an Emission Control Area for Sulphur Oxides and Particulate Matter, under MARPOL Annex VI. In such an Emission Control Area, the limit for sulphur in fuel oil used on board ships is 0.10% mass by mass (m/m), while outside these areas the limit is 0.50% m/m. The amendment is expected to enter into force on May 1, 2024, with the new limit taking effect from 1 May 1, 2025. The session also adopted amendments to MARPOL Annex VI to include information on the flashpoint of fuel in the Bunker Delivery Note.

MEPC 80 adopted the 2023 IMO Strategy on Reduction of Greenhouse Gas Emissions at its July 2023 meeting. The revised IMO will seek to achieve net-zero greenhouse gas emissions from international shipping by 2050 and alternative zero and near-zero greenhouse gas emissions by 2030. There will be indicative checkpoints to reduce the total annual greenhouse gas emission from international shipping by at least 20% (striving for 30%) by 2030 and to reduce the total annual greenhouse gas emissions from international shipping by at least 70% (striving for 80%) by 2040. The strategy also calls for the development of measures to deliver on the reduction targets. An interim report of the comprehensive impact assessment of these mid-term measures will be due at MEPC 81 in the Spring 2024. A finalized report will be due in Autumn 2024 at MEPC 82. The short-term measures are to be completed by January 1, 2026, or MEPC 85 in the Spring 2025.

Green House Gas (GHG) Regulations

In February 2005, the Kyoto Protocol to the United Nations Framework Convention on Climate Change (the "UNFCCC") entered into force. Pursuant to the Kyoto Protocol, adopting countries are required to implement national programs to reduce emissions of certain greenhouse gases, generally referred to as GHGs, which are suspected of contributing to global warming. Currently, GHG emissions from international shipping do not come under the Kyoto Protocol.

The IMO has developed and intends to continue developing limits on GHG emissions. The IMO is also considering its position on market-based measures through an expert working group.

Among the numerous proposals being considered by the working group are the following: a port State levy based on the amount of fuel consumed by the vessel on its voyage to the port in question; and a global emissions trading scheme which would allocate emissions allowances and set an emissions cap, among others. The IMO's goal is to reduce total annual GHG emissions by at least 50% by 2050 compared to 2008, while at the same time, pursuing efforts towards phasing them out entirely.

Some attention has been paid to GHGs in Europe. On June 28, 2013, the European Commission ("EC") adopted a communication setting out a strategy for progressively including GHG emissions from maritime transport in the EU's policy for reducing its overall GHG emissions. The first step proposed by the EC was an EU Regulation to an EU-wide system for the monitoring, reporting and verification of carbon dioxide emissions from large ships starting in 2018. The Regulation was adopted on April 29, 2015, and took effect on July 1, 2015. Monitoring, reporting and verification requirements began on January 1, 2018. The EC also adopted an Implementing Regulation, which entered into force in November 2016, setting templates for monitoring plans, emissions reports, and compliance documents pursuant to Regulation 2015/757.

In the United States, there are varying approaches on whether to add additional regulations on GHG emissions. In January 2020, the Transportation and Infrastructure Committee of the U.S. House of Representatives (the "House") held a hearing on "Decarbonizing the Maritime Industry," which highlighted alleged health impacts of GHG, the IMO's goal of decarbonization, and what next steps can be taken in reducing emissions from vessels. There have been recent bills introduced in the U.S. Congress regarding the reduction of emissions by ships. A bill which has currently been proposed is the Clean Shipping Act. This bill would direct the EPA to require vessels on certain commercial voyages to comply with standards for the carbon intensity of the vessel's fuel on a specified schedule, with vessels on such voyages utilizing 100% less than the carbon intensity baseline by 2040 and beyond. The Clean Shipping Act is similar to a bill of the same name introduced in 2022 but which expired without receiving a vote, as has been the case with similar bills regulating GHGs. We continue to monitor the status of GHG-related legislation and its potential impacts on our business. In the spring of 2022, the U.S. Coast Guard was also expected to adopt GHG regulations that mirror MARPOL Annex VI, but those regulations still remain pending. The Coast Guard expects that a Notice of Proposed Rulemaking will be available by July 2024. The Coast Guard has reported that its regulations will be designed to "fill gaps in the existing framework." The Coast Guard and U.S. Environmental Protection Agency ("EPA") have entered a memorandum of understanding ("MOU") by which they have agreed on enforcement responsibilities relating to inspections of marine fueling facilities, shipboard compliance inspections and investigations and enforcement actions. In September 2022, the U.S. Department of Energy, Transportation, Housing and Urban Development and EPA signed a historic memorandum of understanding to enable the four agencies to accelerate efforts to decarbonize the transportation sector. In January 2023, the agencies released the U.S. National Blueprint for Transportation Decarbonization, an interagency framework of strategies to remove all emissions from the sector by 2050.

In January 2023, the U.S. Department of Energy issued an updated decarbonization strategy which included specific policy measures for the maritime sector. The strategy calls for incentivizing research and development activities for zero-emission shipping technology, including alternative fuels and propulsion systems. The strategy seeks to promote electric and hybrid options for small vessels, operational efficiency improvements and onboard carbon capture systems. The U.S. Department of Energy has also recently reported that it is monitoring maritime decarbonization efforts and coordinating with other U.S. government agencies regarding this topic, in addition to providing grants and other funding to support decarbonization efforts.

The U.S. Department of Energy hosted a Maritime Decarbonization Action Plan Workshop in late 2023, in anticipation of the Plan's release later this year. The plan will outline decarbonization pathways across fuels, energies, technologies, vessel types and operational profiles.

Other decarbonization efforts, include the Call to Action for Shipping Decarbonization, an outgrowth of the 2021 United Nations Climate Change Conference, which is aimed at focusing on decarbonizing shipping by 2050.

In March 2024, the SEC released a final rule requiring environmental, social and governance (ESG) reporting requirements for U.S. public companies, including the disclosure of climate-related risk information in registration statements and periodic reports. This rulemaking gathered significant attention, receiving over 24,000 comments. This rulemaking was finalized on March 6, 2024.

The new disclosure rules require public companies to disclose certain GHG risks provided that they are material as defined by the SEC and relevant court precedents. The addition of a "materiality" requirement for disclosure was a significant departure from the proposed rule. The GHG Final Rule defines materiality as existing when "there is a substantial likelihood that a reasonable investor would consider it important when determining whether to buy or sell securities or how to vote or such a reasonable investor would view omission of the disclosure as having significantly altered the total mix of information made available. The materiality determination is fact specific and one that requires both quantitative and qualitative considerations." Publicly traded companies subject to the GHG Final Rule must also provide information about their direct greenhouse gas (GHG) emissions (Scope 1) and indirect emissions from purchased electricity or other forms of energy (Scope 2)". Companies are required to disclose whether such climate-related risks are reasonably likely to occur in the short-term (within the next 12 months) or long-term. If a company has undertaken activities to mitigate or adapt to climate-related risks, it is required to provide a quantitative and qualitative description of any material expenditures incurred and any material impacts on financial estimates and assumptions that directly resulted from such mitigation or adaptation activities. Companies will be required to disclose any climate-related targets or goals that have materially affected, or are reasonably likely to materially affect, their business, results or operations or financial condition. Companies are required to describe the board's oversight of climate-related risks. The final rule includes phased-in compliance dates based on filer status, with the earliest filing requirements beginning in 2026. 10 states already filed a petition in the Eleventh Circuit to challenge the regulations. It is also likely that members of Congress will challenge the regulations through a joint resolution under the Congressional Review Act.

In the United States, states have passed and are considering similar climate disclosure legislation. In 2023, California passed the Climate Corporate Accountability Act which requires large companies doing business in California and making $1 billion (gross revenue) to report and verify their Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. California also passed the Climate-Related Financial Risk Act which requires companies doing business in California and obtaining over $500 million (gross revenue) to disclosure information relating to the company's climate-related financial risk and their plans to mitigate any such climate-related risks biannually. Companies must also post their climate-related risks on their website. Both bills' first reporting deadlines are on January 1, 2026. Implementation is uncertain however, because CARB has not obtained funding to develop the legislation's corresponding regulations.

In 2023, California also passed AB 1305, or the Voluntary Carbon Market Disclosures Business Regulation Act, effective on January 1, 2024. The legislation applies to entities operating in California that market or sell voluntary carbon offsets, or make claims regarding the achievement of net zero emissions, carbon neutral status or significant carbon emissions reductions. Each activity will require specific public disclosure requirements that will require companies to gather data and methodologies that substantive their claims and offset project benefits.

Both New York, Washington and Illinois have similar legislation related to climate disclosure for both private and publicly traded companies that is still pending in their respective state legislatures. We are continuing to monitor these bills.

The EU Corporate Sustainability Reporting Directive's ("CSRD") ESG requirements will require most large maritime shipping companies to report on GHG emissions. Under the CSRD, companies within its scope must disclose their business model, sustainability objectives, progress, management's involvement in sustainability, policies, due diligence processes, adverse impacts, mitigation measures, sustainability risks, and relevant indicators. Additionally, the CSRD mandates disclosure of transition plans for climate change mitigation, ensuring alignment with a sustainable economy and the Paris Agreement's goal of limiting warming to 1.5°C. Companies without plans must specify intentions to develop one, with the absence potentially deterring investor interest due to perceived financial risks.

Most large EU companies will need to comply for financial years beginning on or after January 1, 2025. CSRD will apply to all large EU companies with more than 250 employees, a turnover of more than $40 million Euros, or total assets of $20 million Euros. Non-EU entities with annual EU- generated revenues in excess of $150 million Euros which also have a large or listed EU subsidiary or a significant EU branch (generating at least $40 million Euros) will have to comply.

The first set of reporting standards, developed by the European Financial Reporting Advisory Group (EFRAG) and endorsed by the European Commission, were adopted on July 31, 2023. A second set of reporting standards, European Sustainability Reporting Standards and sector-specific standards for large non-EU companies have been postponed until June 30, 2026. Non-EU parent companies must still prepare a group report from the financial year beginning on or after January 1, 2028. Reporting on greenhouse gas emissions (scopes 1, 2, and 3) is obligatory if climate change is recognized as a material concern following a materiality assessment. For example, it is anticipated that a company operating in the shipping sector acknowledges climate change as a significant issue.

The CSRD requires member states to establish effective supervision and sanction systems. Breaches may incur rectification orders, administrative late fees, or criminal liability, including fines or imprisonment, to enforce compliance with CSR reporting requirements.

On March 15, 2024, the Committee of Permanent Representatives (COREPER) of the Council of the European Union surprisingly approved an amended draft of the Corporate Sustainability Due Diligence Directive (CS3D). This approval came after several postponements due to opposition from certain EU member states. While the scope of the CS3D has been significantly narrowed, and the final draft still requires approval by the European Parliament to become law, this marks a significant step toward its adoption before the European parliamentary elections in June 2024.

For EU companies to fall under the directive's scope, thresholds have been raised from 500 to 1000 employees, and the global turnover threshold has increased from exceeding 150 million euros to exceeding 450 million euros. Non-EU companies are covered by the CS3D if they have a turnover of more than 450 million euros in the EU.

The main obligations under the CS3D include conducting risk-based human rights and environmental due diligence and adopting and implementing a climate transition plan. This plan aims to ensure, through best efforts, that a company's business model and strategy align with the transition to a sustainable economy and with the goal of limiting global warming to 1.5°C as per the Paris Agreement. The transition plan should include time-bound climate change targets, decarbonization levels, key actions, investment descriptions, and the roles of administrative bodies.

Non-compliance with the CS3D may result in various sanctions, such as orders from supervisory authorities, penalties of up to 5% of the company's net worldwide turnover, and civil liability for damages caused by non-compliance with due diligence obligations.

Economic Sanctions and Compliance

We constantly monitor developments in the U.S., the EU and other jurisdictions that maintain economic sanctions against Iran, Russian entities, Venezuela, other countries, and other sanctions targets, including developments in implementation and enforcement of such sanctions programs. Expansion of sanctions programs, embargoes and other restrictions in the future (including additional designations of countries and persons subject to sanctions), or modifications in how existing sanctions are interpreted or enforced, could prevent our vessels from calling in ports in sanctioned countries or could limit their cargoes.

Across all sanctions regimes it is important to ensure that due diligence has been carried out on the parties involved in each transaction. Whilst the US, EU and UK maintain lists of sanctioned persons (as do other jurisdictions), there is variance between those lists on the individuals and entities listed. It cannot be assumed that an individual or entity who does not appear on one list is not caught by alternative sanctions regimes.

Iran Sanctions

There is significant divergence in the U.S. and EU / UK positions on Iran, largely stemming from the U.S. withdrawal from the Joint Comprehensive Plan of Action (JCPOA). The EU / UK sanctions on Iran are rather limited, while the U.S. maintains a comprehensive trade embargo.

EU and UK sanctions

EU sanctions on Iran remain in place in relation to the export of arms and military goods listed in the EU Common Military List, military-related goods and items that might be used for internal repression as well as in relation to listed individuals / entities. Full details of these goods can be found in the EU Common Military List and the consolidated EU Council Regulation 267/2012 and EU Council Regulation 359/2011 (each as amended from time to time). Trade with Iran which is caught by the above mentioned sanctions can only be engaged if prior authorization (granted on a case-by-case basis) is obtained from the relevant national authorities within the EU. The remaining restrictions apply to the sale, supply, transfer or export, of specific listed goods directly or indirectly to any Iranian person/for use in Iran, as well as the provision of technical assistance, financing or financial assistance in relation to the restricted activity. Certain individuals and entities remain sanctioned and the prohibition to make available, directly or indirectly, economic resources or assets to or for the benefit of sanctioned parties remains. “Economic resources” is widely defined and it remains prohibited to provide vessels for a fixture from which a sanctioned party (or parties related to a sanctioned party) directly or indirectly benefits. It is therefore still necessary to carry out due diligence on the parties and cargoes involved in fixtures involving Iran.

The UK imposes similar sanctions to the EU in circumstances where there has not been a significant shift in the Iran sanctions regime following the UK’s departure from the EU.

U.S. Sanctions

U.S. economic sanctions on Iran fall into two general categories: “Primary” sanctions, which prohibit, barring an applicable U.S. Government authorization, U.S. persons or U.S. companies and their foreign branches, U.S. citizens, foreign owned or controlled subsidiaries, U.S. permanent residents, persons within the territory of the United States, generally where a US nexus is established, from engaging in all direct and indirect trade and other transactions with Iran without U.S. government authorization, virtually from any transaction with an Iran nexus; and U.S. “secondary” sanctions, which in contrast, can apply to non-U.S. persons. – even when there is no U.S. nexus to the transaction (i.e. U.S. person or U.S. dollar involvement).

The current secondary sanctions in place with respect to Iran, are relatively expansive and include but are not limited to: (i) sanctions on the Iranian metals industry, (ii) sanctions on Iran’s shipping and shipbuilding sectors, (iii) sanctions on the Iranian energy industry, which includes the petroleum and petrochemicals industries, and (iv) sanctions on the Iranian construction, mining, manufacturing, and textiles industry. These secondary sanctions prohibit significant transactions involving the sale, supply, or transfer of goods or services used in connection with any of the aforementioned industries and sectors of Iran’s economy. While the aforementioned secondary sanctions have the widest application to the international shipping community, there are numerous other secondary sanctions imposed against Iran.

Russia Sanctions

As a result of the crisis in Ukraine and the annexation of Crimea by Russia in 2014, both the United States and the EU implemented sanctions in 2014 against Crimea and certain Russian individuals and entities. These sanctions which are still in force have been greatly expanded and fortified due to Russia’s invasion of Ukraine in February 2022. The United States, the EU, the UK and other nations have imposed expanded economic sanctions against certain Russian individuals, entities and business sectors. Among other things, these sanctions suspend the use of SWIFT for certain Russian banks, curtail Russian access to the sanctioning-countries’ credit markets, forbid Russian aircraft from flying over NATO and other airspace, impose wide ranging trade sanctions in respect of certain Russian exports and prohibit the export of many items to Russia and their provision to persons in Russia.

EU Sanctions

Since 2014, the EU has imposed travel bans and asset freezes on certain Russian persons and entities pursuant to which it is prohibited to make available, directly or indirectly, economic resources or assets to or for the benefit of the sanctioned parties. Other entities are subject to sectoral sanctions, which limit the provision of equity financing and loans to the listed entities. Additionally, various restrictions on trade have been implemented, including a prohibition on the import into the EU of goods originating in Crimea or Sevastopol or the provision of goods to Crimea/Sevastopol. This includes certain Russian seaports where restrictions would prevent a vessel from calling at the port.

Since February 2022, the EU has designated a significant number of individuals and entities as subject to an asset freeze. Notably a number of trading companies have sought to distance themselves from the involvement of sanctioned persons and caution must therefore be exercised when dealing with any Russian individual or entity with appropriate due diligence carried out in accordance with company procedures.

In particular, the EU has widened existing trade sanctions in relation to Russia including by (i) restricting exports of dual-use and military , and various other advanced technologies, (ii) various restrictions on financial services (including a ban on certain banks from using the SWIFT system), (iii) prohibitions against any transactions with certain state-owned entities, and (iv) various trade and transport restrictions for both export and import of goods, including in relation to oil and petroleum products, coal, steel/iron, fertilisers, potash and luxury goods. The EU has also extended its restrictions to capture (i) various services, including business management services, accounting, architectural and engineering, and legal advice services, and (ii) trade with newly annexed regions of Ukraine (Donetsk, Kherson, Luhansk and Zaporizhzhia).

Lastly, the E.U. has also recently implemented price cap policies with respect to with respect to Russian-origin crude oil and petroleum products.

U.S. Sanctions

U.S. sanctions against Russia were initially imposed following Russia's annexation of Crimea in 2014 and have been greatly expanded in the last year following Russia's full invasion of Ukraine. The current sanctions against Russia include full blocking sanctions, an investment ban/trade embargo with respect to certain commodities, sectoral sanctions aimed at certain sectors of the Russian economy, and sanctions with respect to "Covered Regions" in Ukraine. In addition, the majority of the U.S. sanctions against Russia also authorize the imposition of secondary sanctions against any deemed to have materially assisted any persons or entities sanctioned pursuant to the Russian sanctions program. We also note there is a broad carveout to the U.S. sanctions against Russia for transactions involving agricultural commodities.

Additionally, the U.S. has also designated various sectors of the Russian economy for blocking sanctions pursuant to E.O. 14024, including notably the marine sector. Pursuant to this sector designation, the U.S. has the ability to designate to the SDN list any individual or entity determined to be operating or have operated in the marine sector of the Russian economy.

The U.S. has also imposed in E.O. 14066 a prohibition against the importation of Russian-origin petroleum products into the United States. This prohibition encompasses shipments of Russian-origin commodities such as crude oil, petroleum fuels, petroleum, oils and products of their distillation, coal and coal products, and liquefied natural gas. E.O. 14066 also prohibits U.S. persons from financing, approving, facilitating, or guaranteeing a transaction of a foreign person where the transaction by that person would be prohibited under the E.O. if that person were a U.S. person. E.O. 14066 also prohibits new investment by U.S. persons in the Russian energy sector. The United States has also issued Executive Order 14071, a complete prohibition on new investment in Russia by a U.S. person.

On November 22, 2022, the United States Department of the Treasury, announced determinations, pursuant to Executive Order 14071, which prohibit the provision of trading/commodities broker, financing, shipping, insurance, flagging, and customs brokering services as they relate to the maritime transport of crude oil and petroleum products of Russian Federation origin (collectively "Covered Services").

The Treasury Department, in coordination with other G7 states, the European, Union, and Australia, authorized the provision of the foregoing services when the price of Russian-origin crude oil does not exceed a certain price, as determined by the Secretary of the Treasury, effectively creating price caps on Russian-origin crude oil and petroleum products. Effective December 5, 2022, the Secretary of the Treasury and other members of the price cap coalition set the price cap on Russian-origin crude oil at $60 per barrel. Effective February 5, 2023, cap on Discount to Russian-origin crude petroleum products has been set at $45 per barrel and at $100 per barrel for Premium to Russian-origin crude petroleum products. The discount to crude price cap applies to naphtha, residual fuel oil, and waste oils, whereas the premium to crude price cap applies to gasoline, motor fuel blending stock, gasoil and diesel fuel, kerosene and kerosene-type jet fuel, and vacuum gas oil. While these price cap policies are not directed specifically at Navios, they could have some impact on our trade, in particular with respect to obtaining "Covered Services" in the U.S. or by U.S. persons.

UK Sanctions

Since its departure from the EU, the UK's departure from the EU it has enacted its own sanctions regime, which although in parts mirrors the approach of the EU, is a distinct sanctions regime. Again from February 2022 further restrictions were imposed targeting Russia and those connected to the invasion of Ukraine. Care should be taken to identify where the regimes differ.

UK restrictions similarly include designation of individuals as subject to an asset freeze and travel ban as well as restrictions in relation to the export, supply, delivery and making available of certain goods. There is also a ban on Russian flagged or owned ships from entering UK ports and lastly, the U.K. has also recently implemented price cap policies with respect to Russian-origin crude oil and petroleum products.

Venezuela Sanctions

EU and UK sanctions

EU sanctions against Venezuela are primarily governed by EU Council Regulation 2017/2063 (as amended from time to time) concerning restrictive measures in view of the situation in Venezuela. This includes financial sanctions and restrictions on listed persons and an, arms embargo, and related prohibitions and restrictions including restrictions on items related to internal repression.

The UK imposes similar sanctions to the EU in circumstances where there has not been a significant shift in the Venezuela sanctions regime following the UK's departure from the EU.

U.S. Sanctions

The U.S. sanctions against Venezuela mainly consist of primary sanctions aimed at U.S. persons and activities within the United States and does not contain broad secondary sanctions aimed at non-U.S. persons such as Navios. However, there are a number of components of the U.S. sanctions against Venezuela that impact the international shipping community as will be discussed below.

First, E.O. 13850 authorizes sanctions against anyone determined to operate in designated sectors of the Venezuela economy. The designated sectors consist of the gold, oil, financial, and security/defense sectors. This E.O. is pertinent because it has been used in the past to sanction vessels and vessel-owning companies engaged in the trade of Venezuelan oil. E.O. 13850 also authorizes sanctions against anyone who is determined to have provided material assistance, goods or services to a SDN who is designated under E.O. 13850.

Second, E.O. 13884 blocked the Government of Venezuela and all entities 50% or more owned by the Government of Venezuela. Under E.O. 13884, unless exempt or authorized by OFAC, the property and interests in property of persons meeting the definition of the "Government of Venezuela" that are in, or come within, the United States or the possession or control of a United States person are blocked. However, while the Government of Venezuela entities are blocked, they are not necessarily also designated to the SDN list. The prohibitions set forth in E.O. 13884 apply to Navios only with respect to voyages involving U.S. persons or activities within the United States.

With the issuance of General License 44, transactions that relate to the oil and gas sectors of Venezuela have been authorized, even if the transaction includes an SDN such as PDVSA or a state-owned entity. However, Navios realizes that this is only a temporary license, that is currently valid through April 18, 2024. Navios will be making sure that this license continues to be in force in any future Venezuela fixture it may have. In addition, Navios pays careful attention to the exceptions of the General License, to make sure that its transactions remain entirely within the scope of authorization, and there are no factors (e.g. involvement by a Russian owned / controlled party), that would disapply the license.

Other E.U., UK, and U.S. Economic Sanctions Targets

The EU and UK also maintain sanctions against Syria, North Korea, Belarus and certain other countries and against individuals listed by the EU/UK. These restrictions apply to our operations and as such, to the extent that these countries may be involved in any business it is important to carry out checks to ensure compliance with all relevant restrictions and to carry out due diligence checks on counterparties and cargoes."

The United States maintains comprehensive economic sanctions against various other countries, including Syria, Cuba and North Korea as well as sanctions against entities and individuals (such as entities and individuals in the foregoing targeted countries, designated terrorists, narcotics traffickers) whose names appear on the List of SDNs and Blocked Persons maintained by the U.S. Treasury Department (collectively, the "Sanctions Targets") and sanctions targeting particular industries (including the potash industry in Belarus). We are subject to the prohibitions of these sanctions to the extent that any transaction or activity we engage in involves Sanctions Targets and a U.S. person or otherwise has a nexus to the United States.

Taxation of the Partnership

United States Taxation

The following is a discussion of the material U.S. federal income tax considerations applicable to us. This discussion is based upon provisions of the Code, final and temporary regulations thereunder ("Treasury Regulations"), and administrative rulings and court decisions, all as in effect currently and during our year ended December 31, 2023 and all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the tax consequences to vary substantially from the consequences described below. The following discussion is for general information purposes only and does not purport to be a comprehensive description of all of the U.S. federal income tax considerations applicable to us.

Election to be Treated as a Corporation: We have elected to be treated and we are currently treated as a corporation for U.S. federal income tax purposes. As such, (i) we are subject to U.S. federal income tax on our income to the extent it is from U.S. sources or otherwise is effectively connected with the conduct of a trade or business in the United States as discussed below; and (ii) we are not subject to section 1446 as that section only applies to entities that for U.S. federal income tax purposes are characterized as partnerships.

Taxation of Operating Income: Substantially all of our gross income is attributable to international shipping. For this purpose, gross income attributable to transportation ("Transportation Income") includes income derived from, or in connection with, the use, the hiring for use, or the leasing for use (if any) of a vessel to transport cargo, or the performance of services directly related to the use of any vessel to transport cargo, and thus includes both time charter income and bareboat charter income (if any).

Transportation Income that is attributable to transportation that either begins or ends, but that does not both begin and end in the United States ("U.S. Source International Transportation Income") is considered to be 50.0% derived from sources within the United States. Transportation Income attributable to transportation that both begins and ends in the United States ("U.S. Source Domestic Transportation Income") is considered to be 100.0% derived from sources within the United States. Transportation Income attributable to transportation exclusively between non-U.S. destinations is considered to be 100.0% derived from sources outside the United States. Transportation Income derived from sources outside the United States generally is not subject to U.S. federal income tax.

We believe that we did not earn any U.S. Source Domestic Transportation Income for our fiscal year ended December 31, 2023 and expect that we will not earn any such income for future years. However, certain of our activities gave rise to U.S. Source International Transportation Income, and future expansion of our operations could result in an increase in the amount of U.S. Source International Transportation Income, which generally would be subject to U.S. federal income taxation, unless the exemption from U.S. federal income taxation under Section 883 of the Code (the "Section 883 Exemption") applied.

The Section 883 Exemption: In general, the Section 883 Exemption provides that if a non-U.S. corporation satisfies the requirements of Section 883 of the Code and the Treasury Regulations thereunder (the "Section 883 Regulations"), it will not be subject to the net basis and branch profit taxes or the 4.0% gross basis tax described below on its U.S. Source International Transportation Income. The Section 883 Exemption applies only to U.S. Source International Transportation Income and does not apply to U.S. Source Domestic Transportation Income. We qualify for the Section 883 Exemption if, among other matters, we meet the following three requirements:

- We are organized in a jurisdiction outside the United States that grants an equivalent exemption from tax to corporations organized in the United States with respect to the types of U.S. Source International Transportation Income that we earn (an "Equivalent Exemption");
- We satisfy the Publicly Traded Test (as described below) or the qualified shareholder stock ownership test (as described in the Section 883 Regulations); and
- We meet certain substantiation, reporting and other requirements.

We are organized under the laws of the Republic of the Marshall Islands. The U.S. Treasury Department has recognized the Republic of the Marshall Islands as a jurisdiction that grants an Equivalent Exemption with respect to the type of income that we have earned and are expected to earn. Consequently, our U.S. Source International Transportation Income (including for this purpose, any such income earned by our subsidiaries, that have elected to be disregarded as entities separate from us for U.S. federal income tax purposes) will be exempt from U.S. federal income taxation provided we meet the Publicly Traded Test or the qualified shareholder stock ownership test and we satisfy certain substantiation, reporting and other requirements.

In order to meet the "Publicly Traded Test", the equity interests in the non-U.S. corporation at issue must be "primarily traded" and "regularly traded" on an established securities market either in the United States or in a jurisdiction outside the United States that grants an Equivalent Exemption. The Section 883 Regulations generally provide, in pertinent part, that a class of equity interests in a non-U.S. corporation will be considered to be "primarily traded" on an established securities market in a given country if the number of units of such class that are traded during any taxable year on all established securities markets in that country exceeds the number of units in such class that are traded during that year on established securities markets in any other single country. Equity interests in a non-U.S. corporation will be considered to be "regularly traded" on an established securities market under the Section 883 Regulations provided one or more classes of such equity interests representing more than 50.0% of the aggregate vote and value of all of the outstanding equity interests in the non-U.S. corporation satisfy certain listing and trading volume requirements. These listing and trading volume requirements are satisfied with respect to a class of equity interests listed on an established securities market provided trades in such class are effected, other than in de minimis quantities, on such market on at least 60 days during the taxable year and the aggregate number of units in such class that are traded on such market or markets during the taxable year are at least 10% of the average number of units outstanding in that class during the taxable year (with special rules for short taxable years). In addition, a class of equity interests traded on an established securities market in the United States will be considered to satisfy the listing and trading volume requirements if the equity interests in such class are "regularly quoted by dealers making a market" in such class (within the meaning of the Section 883 Regulations). Notwithstanding these rules, a class of equity that would otherwise be treated as "regularly traded" on an established securities market will not be so treated if, for more than half of the number of days during the taxable year, one or more "5.0% unitholders" (i.e., unitholders owning, actually or constructively, at least 5.0% of the vote and value of that class) own in the aggregate 50.0% or more of the vote and value of that class (the "Closely Held Block Exception"), unless the corporation can establish that a sufficient proportion of such 5.0% unitholders are qualified shareholders (as defined in the Section 883 Regulations) so as to preclude other persons who are 5.0% unitholders from owning 50.0% or more of the value of that class for more than half the days during the taxable year.

Because substantially all of our common units are and have been traded on the NYSE, which is considered to be an established securities market, our common units are and have been "primarily traded" on an established securities market for purposes of the Publicly Traded Test.

Further, although the matter is not free from doubt, based upon our expected cash flow and distributions on our outstanding equity interests, we believe that our common units represented more than 50.0% of the total value of all of our outstanding equity interests, and we believe that we satisfied the trading volume requirements described previously for our fiscal year ended December 31, 2023. We believe that we did not lose eligibility for the Section 883 Exemption as a result of the Closely Held Block Exception for such year, and consequently, we believe that we satisfied the Publicly Traded Test for our fiscal year ended December 31, 2023.

While there can be no assurance that we will continue to satisfy the requirements for the Publicly Traded Test in the future, and our board of directors could determine that it is in our best interests to take an action that would result in our not being able to satisfy the Publicly Traded Test, we presently expect, subject to the possibility that our common units may be delisted by a qualifying exchange, to continue to satisfy the requirements for the Publicly Traded Test and the Section 883 Exemption for future years. Please see below for a discussion of the consequences in the event we do not satisfy the Publicly Traded Test or otherwise fail to qualify for the Section 883 Exemption.

Please also see the risk factor entitled "Item 3. Key Information - D. Risk Factors - Risks Relating to Our Units - The New York Stock Exchange may delist our securities from trading on its exchange, which could limit your ability to trade our securities and subject us to additional trading restrictions".

The Net Basis Tax and Branch Profits Tax: If we earn U.S. Source International Transportation Income and the Section 883 Exemption does not apply, the U.S. source portion of such income may be treated as effectively connected with the conduct of a trade or business in the United States ("Effectively Connected Income") if we have a fixed place of business in the United States and substantially all of our U.S. Source International Transportation Income is attributable to regularly scheduled transportation or, in the case of bareboat charter income (if any), is attributable to a fixed place of business in the United States.

We believe that, for our fiscal year ended December 31, 2023, none of our U.S. Source International Transportation Income was attributable to regularly scheduled transportation or received pursuant to bareboat charters. As a result, we believe that none of our U.S. Source International Transportation Income for such year would be treated as Effectively Connected Income even in the event that we did not qualify for the Section 883 Exemption. However, there is no assurance that we will not earn income pursuant to regularly scheduled transportation or bareboat charters attributable to a fixed place of business in the United States in the future, which would result in such income being treated as Effectively Connected Income. In addition, any U.S. Source Domestic Transportation Income may be treated as Effectively Connected Income. Any income we earn that is treated as Effectively Connected Income would be subject to U.S. federal corporate income tax (presently imposed at a 21.0% rate) as well as a 30.0% branch profits tax imposed under Section 884 of the Code. In addition, a 30.0% branch interest tax could be imposed on certain interest paid or deemed paid by us.

On the sale of a vessel that has produced Effectively Connected Income, we could be subject to the net basis corporate income tax as well as the branch profits tax with respect to the gain recognized up to the amount of certain prior deductions for depreciation that reduced Effectively Connected Income. Otherwise, we would not be subject to U.S. federal income tax with respect to gain realized on the sale of a vessel, provided the gain is not attributable to an office or other fixed place of business maintained by us in the United States under U.S. federal income tax principles.

The 4.0% Gross Basis Tax: If the Section 883 Exemption does not apply and the net basis tax does not apply, we would be subject to a 4.0% U.S. federal income tax on the U.S. source portion of our gross U.S. Source International Transportation Income, without the benefit of any deductions.

Marshall Islands Taxation

Based on the opinion of Reeder and Simpson, P.C., our counsel as to matters of the law of the Republic of the Marshall Islands, because we, our operating subsidiary and our controlled affiliates do not, and do not expect to, conduct business or operations in the Republic of the Marshall Islands, neither we nor our controlled affiliates will be subject to income, capital gains, profits or other taxation under current Marshall Islands law. As a result, distributions by our operating subsidiary and our controlled affiliates to us will not be subject to Marshall Islands taxation.

Other Tax Jurisdictions

Certain of Navios Partners' subsidiaries are incorporated in countries which impose taxes, such as Malta and Belgium, however such taxes are immaterial to Navios Partners' operations.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state which is calculated on the basis of the relevant vessel's tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece. The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company, the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel outside Greece.

C. Organizational Structure

Please read exhibit 8.1 to this annual report for a list of our significant subsidiaries as of December 31, 2023.

Affiliates included in the financial statements accounted for under the equity method:

In the consolidated financial statements of Navios Partners, the following entities are included as affiliates and are accounted for under the equity method for such periods: (i) Navios Containers and its subsidiaries (with an ownership interest of 35.7% as of December 31, 2020). Following the completion of the NMCI Merger, as of March 31, 2021, Navios Containers was acquired by Navios Partners and ownership was 100%.

D. Property, plants and equipment

Other than our vessels, we do not have any material property, plants or equipment.

Item 4A. Unresolved Staff Comments

None

Item 5. Operating and Financial Review and Prospects

The following is a discussion of Navios Partners' financial condition and results of operations for each of the fiscal years ended December 31, 2023, 2022 and 2021. Navios Partners' financial statements have been prepared in accordance with U.S. GAAP. You should read this section together with the consolidated financial statements and the accompanying notes to those financial statements, which are included in this document.

This report contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Reform Act of 1995. These forward-looking statements are based on Navios Partners' current expectations and observations. Included among the factors that, in our view, could cause actual results to differ materially from the forward-looking statements contained in this report are those discussed under "Risk Factors" and "Forward-Looking Statements".

Overview

We are an international owner and operator of Dry Cargo and tanker vessels that was formed in August 2007 by Navios Holdings. We have been a public company since November 2007.

As of March 31, 2024, there were outstanding 30,184,388 common units and 622,296 general partnership units. Angeliki Frangou, our Chief Executive Officer and Chairwoman beneficially owns an approximately 16.7% common interest of the total outstanding common units including 4,672,314 common units held through four entities affiliated with her. Angeliki Frangou beneficially owns 622,296 general partnerships units, represent an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units.

Please see "Item 4. Information on the Partnership".

Fleet Developments

Please read Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this annual report for a full description of the Company's fleet developments.

Please read "Item 5. Operating and Financial Review and Prospects – Recent Developments" for a full description of the Company's most recent fleet developments.

Please read Note 15 – Commitments and contingencies to our consolidated financial statements, included elsewhere in this annual report for a full description of vessels to be delivered to our fleet.

Please read Note 2(b) – Summary of significant accounting policies to our consolidated financial statements, included elsewhere in this annual report for a full description of the Company's subsidiaries.

Recent Developments

In January 2024, Navios Partners took delivery of the Zim Eagle, a 2024-built 5,300 TEU containership.

In January 2024, Navios Partners agreed to sell the Nave Spherical, a 2009-built VLCC of 297,188 dwt, and the Navios Orbiter, a 2004-built Panamax of 76,602 dwt, to unrelated third parties for aggregate gross sale proceeds of $63.1 million. The sale of the Navios Orbiter was completed on March 4, 2024 and the sale of the Nave Spherical is expected to be completed during the first half of 2024.

In January 2024, Navios Partners entered into a new credit facility with a commercial bank for up to $40.0 million in order to refinance three tankers. The credit facility: (i) matures five years after the drawdown date; and (ii) bears interest at Compounded Secured Overnight Financing Rate plus 195 bps per annum. The full amount was drawn in March 2024.

In January 2024, Navios Partners entered into a sale and leaseback agreement of up to $45.3 million with an unrelated third party, in order to finance the acquisition of one 115,000 dwt Aframax/LR2 newbuilding tanker. The sale and leaseback agreement matures seven years after the drawdown date and bears interest at Term Secured Overnight Financing Rate ("Term SOFR") plus 190 bps per annum.

In February 2024, Navios Partners entered into a sale and leaseback agreement of $16.8 million with an unrelated third party for the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt. The sale and leaseback agreement matures in the first quarter of 2030 and bears interest at Term SOFR plus 225 bps per annum.

In March 2024, Navios Partners declared its options to purchase the Navios Amber, a 2015-built Kamsarmax vessel of 80,994 dwt, the Navios Coral, a 2016-built Kamsarmax vessel of 84,904 dwt, the Navios Citrine, a 2017-built Kamsarmax vessel of 81,626 dwt, and the Navios Dolphin, a 2017-built Kamsarmax vessel of 81,630 dwt, (previously charterer-in vessels) for an aggregate amount of approximately $116.6 million, based on the earliest delivery date.

In March 2024, Navios Partners agreed to sell the Navios Spring, a 2007-built Containership of 3,450 TEU, to an unrelated third party for a sales price of $17.0 million. The sale of the Navios Spring is expected to be completed during the first half of 2024.

During the first quarter of 2024, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding scrubber-fitted tankers, from an unrelated third party, for a purchase price of $61.3 million each (plus $3.3 million per vessel in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2027.

Our Charters

We generate revenues by charging our customers for the use of our vessels to transport their liquid, dry and containerized cargos. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to 12 years at inception. From time to time, we operate vessels in the spot market until the vessels have been chartered under long-term charters.

For the years ended December 31, 2023 and 2022, no customer accounted for 10.0% or more of our total revenues. For the year ended December 31, 2021, Singapore Marine represented approximately 14.5% of our total revenues. No other customers accounted for 10.0% or more of total revenues for any of the years presented.

Our revenues are driven by the number of vessels in the fleet, the number of days during which the vessels operate and our charter hire rates, which, in turn, are affected by a number of factors, including:

- the duration of the charters;
- the level of spot and long-term market rates at the time of charters;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in dry dock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels;

- the aggregate level of supply and demand in the liquid, dry and containerized cargo shipping industry;
- economic conditions, such as the impact of inflationary cost pressures, decreased consumer discretionary spending, increasing interest rates, and the possibility of recession or financial market instability;
- armed conflicts, such as the Israel Gaza war, Russian/Ukrainian conflicts and the attacks in the Red Sea and in the Gulf of Aden; and
- the outbreak of global epidemics or pandemics.

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. We intend to operate our vessels in the long-term charter market. Vessel charter rates are affected by world economics, international events, weather conditions, strikes, governmental policies, supply and demand and many other factors that might be beyond our control.

We could lose a customer or the benefits of a charter if:

- the customer fails to make charter payments because of its financial inability, disagreements with us or otherwise;
- the customer exercises certain rights to terminate the charter of the vessel;
- the customer terminates the charter because we fail to deliver the vessel within a fixed period of time, the vessel is lost or damaged beyond repair, there are serious deficiencies in the vessel or prolonged periods of off-hire, or we default under the charter; or
- a prolonged force majeure event affecting the customer, including damage to or destruction of relevant production facilities, war or political unrest prevents us from performing services for that customer.

Under some of our time charters, either party may terminate the charter contract in the event of war in specified countries or in locations that would significantly disrupt the free trade of the vessel. Some of the time charters covering our vessels require us to return to the charterer, upon the loss of the vessel, all advances paid by the charterer but not earned by us.

Vessel Operations

Our Managers are generally responsible for the commercial, technical, health and safety and other management services related to the vessels' operation, while charterers are usually responsible for bunkering and substantially all of the vessel voyage costs, including canal tolls and port charges.

Under the Management Agreements, the Managers are responsible for commercial, technical, health and safety and other management services related to the vessels' operation, including chartering, technical support, maintenance and insurance. Under the Management Agreements, we had fixed the rates for these ship management services until December 31, 2021 with an annual increase of 3% after January 1, 2022 for the remaining contractual period unless agreed otherwise. Costs associated with special surveys, drydocking expenses and certain extraordinary items under this agreement are reimbursed by Navios Partners at cost at occurrence.

Payment of any extraordinary fees or expenses to the Managers could significantly increase our vessel operating expenses and impact our results of operations.

For detailed information on the Management Agreements, please read "Item 7. Major Unitholders and Related Party Transactions - Management Agreements" and Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

Administrative Services

Under the Administrative Services Agreement we entered into with the Manager, we reimburse the Manager for reasonable costs and expenses incurred in connection with the provision of the services under this agreement within 15 days after the Manager submits to us an invoice for such costs and expenses, together with any supporting detail that may be reasonably required. Under this agreement, which expires on January 1, 2025, the Manager provides significant administrative, financial and other support services to us.

For more information on the Administrative Services Agreement, please read "Item 7. Major Unitholders and Related Party Transactions - Administrative Services Agreement" and the Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

Trends and Factors Affecting Our Future Results of Operations

We believe the principal factors that will affect our future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which our vessels engage in business. Other key factors that will be fundamental to our business, future financial condition and results of operations include:

- the demand for seaborne transportation services;
- the ability of the Managers' commercial and chartering operations to successfully employ our vessels at economically attractive rates, particularly as our fleet expands and our charters expire;
- the effective and efficient technical management of our vessels;
- the Managers' ability to satisfy technical, health, safety and compliance standards of major commodity traders; and
- the strength of and growth in the number of our customer relationships, especially with major commodity traders.

In addition to the factors discussed above, we believe certain specific factors will impact our combined and consolidated results of operations. These factors include:

- the charter hire earned by our vessels under our charters;
- our access to capital required to acquire additional vessels and/or to implement our business strategy;
- our ability to sell vessels at prices we deem satisfactory;
- our level of debt and the related interest expense and amortization of principal; and
- the level of any distribution on our common units.

Please read "Risk Factors" for a discussion of certain risks inherent in our business.

A. Operating results

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

The following table presents consolidated revenue and expense information for the years ended December 31, 2023 and 2022. This information was derived from the audited consolidated revenue and expense accounts of Navios Partners for the respective periods.

	Year Ended December 31, 2023	Year Ended December 31, 2022
	(In thousands of U.S. dollars)	
Time charter and voyage revenues	$ 1,306,889	$ 1,210,528
Time charter and voyage expenses	(160,231)	(122,630)
Direct vessel expenses	(69,449)	(56,754)
Vessel operating expenses (entirely through related parties transactions)	(331,653)	(312,022)
General and administrative expenses	(80,559)	(67,180)
Depreciation and amortization of intangible assets	(217,823)	(201,820)
Amortization of unfavorable lease terms	19,922	74,963
Gain on sale of vessels, net	50,248	149,352
Interest expense and finance cost, net	(133,642)	(83,091)
Interest income	10,699	856
Other income	53,682	1,065
Other expense	(14,438)	(14,020)
Net income	**$ 433,645**	**$ 579,247**

The following table reflects certain key indicators of Navios Partners' fleet performance for the years ended December 31, 2023 and 2022.

	Year Ended December 31, 2023	Year Ended December 31, 2022
Available Days [1]	54,766	49,804
Operating Days [2]	54,294	49,271
Fleet Utilization [3]	99.1%	98.9%
Time Charter Equivalent rate (per day) [4]	$ 22,337	$ 23,042
Vessels operating at period end	151	162

(1) Available days for the fleet represent total calendar days the vessels were in Navios Partners' possession for the relevant period after subtracting off-hire days associated with scheduled repairs, drydockings or special surveys and ballast days relating to voyages. The shipping industry uses available days to measure the number of days in a relevant period during which a vessel is capable of generating revenues.

(2) Operating days are the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.

(3) Fleet utilization is the percentage of time that Navios Partners' vessels were available for generating revenue, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure efficiency in finding employment for vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs, drydockings or special surveys.

(4) Time Charter Equivalent rate ("TCE rate") is defined as voyage, time charter revenues and charter-out revenues under bareboat contract (grossed up by the applicable fixed vessel operating expenses for the respective periods) less voyage expenses during a period divided by the number of available days during the period. The TCE rate per day is a customary shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of charter contracts for the number of available days of the fleet.

Time charter and voyage revenues: Time charter and voyage revenues of Navios Partners for the year ended December 31, 2023 increased by $96.4 million, or 8.0%, to $1,306.9 million, as compared to $1,210.5 million for the same period in 2022. The increase in revenue was mainly attributable to the increase in the available days of our fleet, partially mitigated by the decrease in the TCE rate. For the years ended December 31, 2023 and December 31, 2022, the time charter and voyage revenues were negatively affected by $40.7 million and $48.2 million, respectively, relating to the straight-line effect of the containership and tanker charters with de-escalating rates. For the year ended December 31, 2023, the TCE rate decreased by 3.1% to $22,337 per day, as compared to $23,042 per day for the same period in 2022. The available days of the fleet increased by 10.0% to 54,766 days for the year ended December 31, 2023, as compared to 49,804 for the same period in 2022 mainly due to the acquisition of the 36-vessel drybulk fleet from Navios Holdings and the deliveries of newbuilding and secondhand vessels, partially mitigated by the sale of vessels.

Time charter and voyage expenses: Time charter and voyage expenses for the year ended December 31, 2023 increased by $37.6 million, or 30.7%, to $160.2 million, as compared to $122.6 million for the year ended December 31, 2022. The increase was mainly attributable to a: (i) $15.8 million increase in bunkers expenses arising from the increased number of freight voyages in 2023; (ii) $15.7 million increase in bareboat and charter-in hire expense of the tanker and drybulk fleet primarily due to the expansion of our fleet; (iii) $3.7 million increase in port expenses; and (iv) $2.4 million increase in other voyage expenses.

Direct vessel expenses: Direct vessel expenses for the year ended December 31, 2023, increased by $12.6 million, or 22.2%, to $69.4 million, as compared to $56.8 million for the year ended December 31, 2022. The increase of $12.6 million was mainly attributable to the amortization of the deferred drydock and special survey costs due to the expansion of our fleet.

Vessel operating expenses: Vessel operating expenses for the year ended December 31, 2023, increased by $19.7 million, or 6.3%, to $331.7 million, as compared to $312.0 million for the year ended December 31, 2022. The increase was mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with the Management Agreements, partially mitigated by the sale of vessels.

General and administrative expenses: General and administrative expenses increased by $13.4 million, or 19.9%, to $80.6 million for the year ended December 31, 2023, as compared to $67.2 million for the year ended December 31, 2022. The increase was mainly due to a: (i) $9.7 million increase in administrative expenses paid to the Managers as per the Administrative Services Agreement, mainly due to the expansion of our fleet, partially mitigated by the sale of vessels; and (ii) $3.9 million increase in legal and professional fees, as well as audit fees and other administrative expenses; partially mitigated by a $0.2 million decrease in stock-based compensation expenses.

Depreciation and amortization of intangible assets: Depreciation and amortization of intangible assets amounted to $217.8 million for the year ended December 31, 2023, as compared to $201.8 million for the year ended December 31, 2022. The increase of $16.0 million was mainly attributable to a: (i) $45.1 million increase due to the delivery of the 36-vessel drybulk fleet and the delivery of 12 vessels during the second half of 2022 and in 2023; and (ii) $2.3 million increase in depreciation expense due to vessel improvements. The above increase was partially mitigated by: (i) an $18.2 million decrease in amortization of favorable lease terms; and (ii) a $13.2 million decrease in depreciation due to the sale of 22 vessels during the second half of 2022 and in 2023. Depreciation of vessels is calculated using an estimated useful life of 25 years for drybulk and tanker vessels and 30 years for containerships, respectively, from the date the vessel was originally delivered from the shipyard.

Amortization of unfavorable lease terms: Amortization of unfavorable lease terms amounted to $19.9 million and $75.0 million for the years ended December 31, 2023 and December 31, 2022, respectively, related to the amortization of the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Containers and at the date of obtaining control of Navios Acquisition.

Gain on sale of vessels, net: Gain on sale of vessels, net amounted to $50.2 million for the year ended December 31, 2023, relating to a gain on sale of 15 of our vessels amounted to $53.0 million, partially mitigated by an impairment loss on one of our operating lease assets amounted to $2.8 million. Gain on sale of vessels, net amounted to $149.4 million for the year ended December 31, 2022, relating to the sale of seven vessels, partially mitigated by the impairment loss due to the committed sales of four vessels.

Interest expense and finance cost, net: Interest expense and finance cost, net for the year ended December 31, 2023 increased by $50.5 million, or 60.8%, to $133.6 million, as compared to $83.1 million for the year ended December 31, 2022. The increase was mainly due to: (i) the increase in Navios Partner's average loan balance to $1,922.4 million for the year ended December 31, 2023, as compared to the $1,550.4 million for the year ended December 31, 2022 and (ii) the increase of the weighted average interest rate for the year ended December 31, 2023 to 7.2% from 5.3% for the year ended December 31, 2022.

Interest income: Interest income amounted to $10.7 million for the year ended December 31, 2023 as compared to $0.9 million for the year ended December 31, 2022, mainly due to the increase of time deposits.

Other income: Other income for the year ended December 31, 2023 amounted to $53.7 million, as compared to $1.1 million for the year ended December 31, 2022, mainly due to the hire received as compensation for the early termination of the charter parties for two containerships.

Other expense: Other expense for the year ended December 31, 2023 amounted to $14.4 million as compared to $14.0 million for the year ended December 31, 2022 mainly due to the increase in expenses related to foreign exchange differences, partially mitigated by the decrease in other miscellaneous expenses.

Net income: Net income for the year ended December 31, 2023 amounted to $433.6 million compared to net income of $579.2 million for the year ended December 31, 2022. The decrease in net income of $145.6 million was due to the factors discussed above.

For a detailed discussion of operating results for the year ended December 31, 2022 compared to the year ended December 31, 2021 please see "Item 5. Operating and Financial Review and Prospects - A. Operating results" included in Navios Partners' 2022 Annual Report filed on Form 20-F with the SEC on March 24, 2023, which information is incorporated herein by reference.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

B. Liquidity and Capital Resources

We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from operations, our equity offerings, proceeds from asset sales, long-term bank borrowings and other debt raisings. In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements including those under our credit facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. As of December 31, 2023, Navios Partners' current assets totaled $399.7 million, while current liabilities totaled $459.6 million, resulting in a negative working capital position of $59.9 million. Navios Partners' cash forecast indicates that it will generate sufficient cash through its contracted revenue of $3.3 billion as of March 19, 2024 and cash proceeds from sale of vessels (see Note 21 – Subsequent events to our consolidated financial statements, included elsewhere in this annual report) to make the required principal and interest payments on its indebtedness, to make payments for capital expenditures, provide for the normal working capital requirements of the business for a period of at least 12 months from the date of issuance of our consolidated financial statements.

Generally, our long-term sources of funds derive from cash from operations, long-term bank borrowings and other debt or equity financings to fund acquisitions and expansion and investment capital expenditures. We cannot assure you that we will be able to secure adequate financing or to obtain additional funds on favorable terms, to meet our liquidity needs.

Cash deposits and cash equivalents in excess of amounts covered by government provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and equivalents in excess of government provided insurance limits. Navios Partners also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Navios Partners may use funds to repurchase its outstanding common units and/or indebtedness from time to time. Repurchases may be made in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms Navios Partners deems appropriate and subject to its cash requirements for other purposes, compliance with the covenants under Navios Partners' credit facilities, and other factors management deems relevant.

As of December 31, 2023, the total borrowings, net of deferred finance costs were $1,861.5 million.

The credit facilities and certain financial liabilities contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners' vessels; changing the commercial and technical management of Navios Partners' vessels; selling or changing the beneficial ownership or control of Navios Partners' vessels; not maintaining Navios Holdings', Angeliki Frangou's or their affiliates' ownership in Navios Partners of at least 5.0%; and subordinating the obligations under the credit facilities to any general and administrative costs related to the vessels, including the fixed daily fee payable under the Management Agreements.

The Company's credit facilities and certain financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a required security ranging over 110% to 140%; (ii) minimum free consolidated liquidity in an amount equal to $0.5 million per owned vessel and a number of vessels as defined in the Company's credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company's credit facilities and financial liabilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth of $135.0 million.

It is an event of default under the credit facilities and certain financial liabilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

As of December 31, 2023, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities and certain financial liabilities.

Please read Note 11 – Borrowings to our consolidated financial statements, included elsewhere in this annual report for a full description of the financing arrangements of the Company as of December 31, 2023.

Please read "Item 5. Operating and Financial Review and Prospects – Recent Developments" for a full description of the Company's most recent financing arrangements.

Please read Note 13 – Repurchases and issuance of units to our consolidated financial statements, included elsewhere in this annual report for a full description of the Company's equity offerings and issuances of units.

Please See "Item 4. Information on the Partnership – A. History and Development of the Partnership" for further discussion of Navios Partners' Liquidity and Capital Resources.

Navios Partners also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Cash flows for the year ended December 31, 2023 compared to the year ended December 31, 2022:

The following table presents cash flow information for the years ended December 31, 2023 and 2022. This information was derived from the audited Consolidated Statements of Cash Flows of Navios Partners for the respective periods.

	Year Ended December 31, 2023	Year Ended December 31, 2022
	(In thousands of U.S. dollars)	
Net cash provided by operating activities	$ 560,317	$ 506,340
Net cash used in investing activities	(253,015)	(316,241)
Net cash used in financing activities	(233,225)	(184,447)
Net increase in cash, cash equivalents and restricted cash	**$ 74,077**	**$ 5,652**

Net cash provided by operating activities for the year ended December 31, 2023 as compared to the net cash provided by operating activities for the year ended December 31, 2022:

Net cash provided by operating activities increased by $54.0 million to $560.3 million for the year ended December 31, 2023, as compared to $506.3 million for the same period in 2022.

The net cash outflow resulting from the change in operating assets and liabilities of $134.8 million for the year ended December 31, 2023 resulted from: (i) a $101.3 million in payments for dry dock and special survey costs; (ii) a $72.7 million decrease in amounts due to related parties; (iii) an $8.3 million decrease in deferred revenue; and (iv) a $1.6 million decrease in accounts payable. This amount was partially mitigated by a: (i) $32.8 million decrease in accounts receivable; (ii) $7.6 million decrease in prepaid expenses and other current assets; (iii) $7.5 million increase in accrued expenses; and (iv) $1.2 million decrease in amounts due from related parties.

The net cash outflow resulting from the change in operating assets and liabilities of $139.8 million for the year ended December 31, 2022 resulted from: (i) $65.9 million in payments for dry dock and special survey costs; (ii) a $46.6 million increase in accounts receivable; (iii) a $20.9 million increase in prepaid expenses and other current assets (iv) a $13.4 million decrease in amounts due to related parties; (v) a $6.2 million increase in amounts due from related parties; and (vi) a $1.7 million decrease in accrued expenses. This amount was partially mitigated by: (i) an $11.5 million increase in deferred revenue; and (ii) a $3.4 million increase in accounts payable.

Net cash used in investing activities for the year ended December 31, 2023 as compared to the net cash used in investing activities for the year ended December 31, 2022:

Net cash used in investing activities for the year ended December 31, 2023 amounted to $253.0 million, as compared to $316.2 million for the year ended December 31, 2022.

Net cash used in investing activities of $253.0 million for the year ended December 31, 2023 was mainly due to: (i) $282.1 million related to deposits for the acquisition/ option to acquire vessels and capitalized expenses; (ii) $182.9 million related to vessel acquisitions and additions; and (iii) $47.0 million related to time deposits with original maturities of greater than three months. This was partially mitigated by $259.0 million of proceeds related to the sale of 15 vessels.

Net cash used in investing activities of $316.2 million for the year ended December 31, 2022 was mainly due to: (i) $433.8 million related to vessel acquisitions and additions; and (ii) $176.8 million related to deposits for the acquisition/ option to acquire vessels and capitalized expenses. This amount was partially mitigated by: (i) $284.5 million of net proceeds related to the sale of seven vessels; and (ii) $9.9 million of cash acquired through the delivery of the 36-vessel drybulk fleet.

Net cash used in financing activities for the year ended December 31, 2023 as compared to the net cash used in financing activities for the year ended December 31, 2022:

Net cash used in financing activities increased by $48.8 million to $233.2 million outflow for the year ended December 31, 2023, as compared to $184.4 million outflow for the same period in 2022.

Net cash used in financing activities of $233.2 million for the year ended December 31, 2023 was mainly due to: (i) $822.7 million repayments of loans and financial liabilities; (ii) $14.0 million payments of deferred finance costs related to the new credit facilities and financial liabilities; and (iii) $6.2 million payments for cash distributions. This amount was partially mitigated by $609.7 million proceeds from the new credit facilities and sale and leaseback agreements.

Net cash used in financing activities of $184.4 million for the year ended December 31, 2022 was mainly due to: (i) $651.8 million repayments of loans and financial liabilities; (ii) $6.2 million payments in total for cash distributions; and (iii) $6.1 million payments of deferred finance costs related to the new credit facilities and sale and leaseback agreements. This amount was partially mitigated by $479.7 million proceeds from the new credit facilities and sale and leaseback agreements.

For a detailed discussion of cash flows for the year ended December 31, 2022 compared to the year ended December 31, 2021 please see “Item 5. Operating and Financial Review and Prospects - A. Operating results” included in Navios Partners’ 2022 annual report filed on Form 20-F with the SEC on March 24, 2023, which information is incorporated herein by reference.

Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	(In thousands of U.S. dollars)		
Net cash provided by operating activities	**$ 560,317**	**$ 506,340**	**$ 277,173**
Net increase in operating assets	59,729	139,537	93,092
Net decrease in operating liabilities	75,079	255	3,274
Net interest cost	122,943	82,235	41,903
Amortization and write-off of deferred finance cost	(7,188)	(5,349)	(3,741)
Amortization of operating asset/liabilities	(8,918)	(3,912)	401
Non cash amortization of deferred revenue and straight-line	(54,396)	(51,048)	(460)
Stock-based compensation	(4)	(154)	(523)
Gain on sale of vessels, net	50,248	149,352	33,625
Bargain gain	—	—	48,015
Equity in earnings of affiliated companies, net of dividends received	—	—	80,839
Net loss attributable to noncontrolling interest	—	—	4,913
EBITDA[(1)]	**$ 797,810**	**$ 817,256**	**$ 578,511**
Equity in earnings of affiliated companies	—	—	(80,839)
Bargain gain	—	—	(48,015)
Transaction costs	—	—	10,439
Gain on sale of vessels, net	(50,248)	(149,352)	(33,625)
Adjusted EBITDA[(1)]	**$ 747,562**	**$ 667,904**	**$ 426,471**
Cash interest income	9,883	856	745
Cash interest paid	(144,388)	(80,626)	(50,382)
Maintenance and replacement capital expenditures	(224,080)	(244,589)	(83,147)
Operating Surplus[(2)]	**$ 388,977**	**$ 343,545**	**$ 293,687**

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	(In thousands of U.S. dollars)		
Net cash provided by operating activities	$ 560,317	$ 506,340	$ 277,173
Net cash used in investing activities	$ (253,015)	$ (316,241)	$ (106,252)
Net cash used in financing activities	$ (233,225)	$ (184,447)	$ (32,203)

(1) EBITDA and Adjusted EBITDA

EBITDA represents net income attributable to Navios Partners' unitholders before interest and finance costs, depreciation and amortization (including intangible accelerated amortization) and income taxes. Adjusted EBITDA represents EBITDA excluding certain items, as described in the table above. Navios Partners uses Adjusted EBITDA as a liquidity measure and reconciles EBITDA and Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA in this document is calculated as follows: net cash provided by operating activities adding back, when applicable and as the case may be, the effect of: (i) net increase in operating assets; (ii) net decrease in operating liabilities; (iii) net interest cost; (iv) amortization and write-off of deferred finance costs and discount; (v) gain on sale of assets, net; (vi) non-cash amortization of deferred revenue and straight-line effect of the containerships and tankers charters with de-escalating rates; (vii) stock-based compensation expense; (viii) amortization of operating lease assets/ liabilities; (ix) bargain gain; (x) net loss attributable to noncontrolling interest; and (xi) equity in net earnings of affiliated companies. Navios Partners believes that EBITDA and Adjusted EBITDA are each the basis upon which liquidity can be assessed and presents useful information to investors regarding Navios Partners' ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and make cash distributions. Navios Partners also believes that EBITDA and Adjusted EBITDA are used: (i) by potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

Each of EBITDA and Adjusted EBITDA have limitations as an analytical tool, and should not be considered in isolation or as a substitute for the analysis of Navios Partners' results as reported under U.S. GAAP. Some of these limitations are: (i) EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, working capital needs; and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. EBITDA and Adjusted EBITDA do not reflect any cash requirements for such capital expenditures. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as a principal indicator of Navios Partners' performance. Furthermore, our calculation of EBITDA and Adjusted EBITDA may not be comparable to that reported by other companies due to differences in methods of calculation.

EBITDA for the year ended December 31, 2023 was affected by the accounting effect of a $50.2 million net gain related to the sale of 15 of our vessels (including an impairment loss of $2.8 million in connection with one of our operating lease assets). Excluding this item, Adjusted EBITDA increased by $79.7 million to $747.6 million for the year ended December 31, 2023, as compared to $667.9 million for the same period in 2022. The increase in Adjusted EBITDA was primarily due to a: (i) $96.4 million increase in time charter and voyage revenues; (ii) $52.6 million increase in other income, mainly due to the hire received as compensation for the early termination of the charter parties for two containerships; and (iii) $1.8 million decrease in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items). The above increase was partially mitigated by a: (i) $37.6 million increase in time charter and voyage expenses, mainly due to the increase in a) bareboat and charter-in hire expense of the tanker and drybulk fleet and b) bunker expenses arising from the increased days of freight voyages in 2023; (ii) $19.7 million increase in vessel operating expenses in accordance with our Management Agreements, mainly due to the expansion of our fleet; (iii) $13.4 million increase in general and administrative expenses, mainly due to the expansion of our fleet in accordance with our Administrative Services Agreement; and (iv) $0.4 million increase in other expenses.

EBITDA for the year ended December 31, 2022 was affected by the accounting effect of a $149.4 million net gain related to the sale of ten of our vessels (including an impairment loss of $7.9 million in connection with the committed sales of four our vessels in January and February 2023). Excluding these items, Adjusted EBITDA increased by $241.4 million to $667.9 million for the year ended December 31, 2022, as compared to $426.5 million for the same period in 2021. The increase in Adjusted EBITDA was primarily due to a: (i) $497.3 million increase in time charter and voyage revenues; and (ii) $0.8 million increase in other income, partially mitigated by: (i) a $120.6 million increase in vessel operating expenses, mainly due to the expansion of our fleet; (ii) an $86.5 million increase in time charter and voyage expenses, mainly due to the increase in a) bareboat and charter-in hire expense of the tanker and drybulk fleet and b) bunker expenses arising from the increased number of freight voyages in 2022; (iii) a $25.7 million increase in general and administrative expenses, mainly due to the expansion of our fleet; (iv) a $14.7 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); (v) a $4.9 million decrease in net loss attributable to noncontrolling interest; and (vi) a $4.3 million increase in other expenses.

(2) Operating Surplus

Navios Partners generated an Operating Surplus for the year ended December 31, 2023 of $389.0 million, as compared to $343.5 million for the year ended December 31, 2022. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (see "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" contained herein).

Operating Surplus represents net income adjusted for depreciation and amortization expense, non-cash interest expense, non-cash interest income, estimated maintenance and replacement capital expenditures and one-off items. Maintenance and replacement capital expenditures are those capital expenditures required to maintain over the long term the operating capacity of, or the revenue generated by, Navios Partners' capital assets.

Operating Surplus is a quantitative measure used in the publicly-traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Operating Surplus is not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

Borrowings

Navios Partners' long-term third party borrowings are presented under the captions "Long-term financial liabilities, net", "Long-term debt, net", "Current portion of financial liabilities, net" and "Current portion of long-term debt, net". As of December 31, 2023 and December 31, 2022, total borrowings, net amounted to $1,861.5 million and $1,945.4 million, respectively. The current portion of long-term borrowings, net amounted to $285.0 million at December 31, 2023 and $391.1 million at December 31, 2022.

Capital Expenditures

Navios Partners finances its capital expenditures with cash flow from operations, equity raisings, long-term bank borrowings and other debt raisings.

Capital expenditures for the years ended December 31, 2023, 2022 and 2021 amounted to $465.0 million, $610.6 million and $278.8 million, respectively.

For the year ended December 31, 2023, expansion capital expenditures of $465.0 million related to: (i) $282.1 million representing deposits for the acquisition/option to acquire eleven newbuilding containerships that are expected to be delivered through 2025 and 16 newbuilding tankers expected to be delivered through 2027; and (ii) $182.9 million relating to vessel acquisitions, additions and capitalized expenses to our fleet.

For the year ended December 31, 2022, expansion capital expenditures of $610.6 million related to: (i) $176.8 million representing deposits for the acquisition/option to acquire three Capesize bareboat charter-in vessels expected to be delivered by the first half of 2023, one Panamax bareboat charter-in vessel delivered in February 2023, 12 newbuilding Containerships expected to be delivered by the second half of 2023 and in 2024; six newbuilding Aframax/LR2 vessels expected to be delivered in 2024 and the first half of 2025; and (ii) $433.8 million relating to vessel acquisitions, additions and capitalized expenses to our fleet.

For the year ended December 31, 2021, expansion capital expenditures of $278.8 million related to: (i) $61.8 million representing deposits for the acquisition/option to acquire five Capesize bareboat charter-in vessels expected to be delivered by the second half of 2022 and first half of 2023, two Panamax bareboat charter-in vessels expected to be delivered by the second half of 2022 and first half of 2023, six Containerships expected to be delivered by the second half of 2023, first half of 2024 and second half of 2024; and (ii) $217.0 million relating to vessel acquisitions, additions and capitalized expenses to our fleet.

Maintenance for our vessels and expenses related to drydocking expenses are reimbursed at cost by Navios Partners to our Managers under the Management Agreements. For more information on the Management Agreements, please read "Item 7. Major Unitholders and Related Party Transactions - Management Agreements" and Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

Maintenance and Replacement Capital Expenditures Reserve

Our annual maintenance and replacement capital expenditures reserve for the years ended December 31, 2023 and 2022 was $224.1 million and $244.6 million, respectively, for replacing our vessels at the end of their useful lives.

The amount for estimated replacement capital expenditures attributable to future vessel replacement was based on the following assumptions: (i) current market price to purchase a five year old vessel of similar size and specifications; (ii) a 25-year useful life for drybulk and tanker vessels and a 30-year useful life for containerships; and (iii) a relative net investment rate.

The amount for estimated maintenance capital expenditures attributable to future vessel drydocking and special survey was based on certain assumptions including the remaining useful life of the owned vessels of our fleet, market costs of drydocking and special survey and a relative net investment rate.

Our Board of Directors, with the approval of the Conflicts Committee, may determine that one or more of our assumptions should be revised, which could cause our Board of Directors to increase or decrease the amount of estimated maintenance and replacement capital expenditures. The actual cost of replacing the vessels in our fleet will depend on a number of factors, including prevailing market conditions, charter hire rates and the availability and cost of financing at the time of replacement. We may elect to finance some or all of our maintenance and replacement capital expenditures through the issuance of additional common units which could be dilutive to existing unitholders.

Vessels to be delivered

Please read Note 15 – Commitments and contingencies to our consolidated financial statements, included elsewhere in this annual report for a full description of vessels to be delivered to our fleet.

C. Research and development, patents and licenses, etc.

We have made, and will continue to make, investments in research and development in connection with advancing the technology of our systems and vessels. We review our research and development activities on an ongoing basis based on the needs of our business and operations.

D. Trend information

Our results of operations depend primarily on the charter hire rates that we are able to realize for our vessels, which depend on the demand and supply dynamics characterizing the drybulk market at any given time. For other trends affecting our business please see other discussions in "Item 5. Operating and Financial Review and Prospects".

E. Critical Accounting Estimates

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates in the application of our accounting policies based on the best assumptions, judgments and opinions of management. Following is a discussion of the accounting policies that involve a higher degree of judgment and the methods of their application that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. For a description of all of our significant accounting policies, please refer to Note 2 — Summary of significant accounting policies to the notes to the consolidated financial statements, included elsewhere in this annual report.

Use of Estimates*:* The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to expected future cash flows from long-lived assets to support impairment tests. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

Impairment of Long Lived Assets: Vessels, other fixed assets and other long lived assets held and used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Partners' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating the carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as obsolesce or significant damages to the vessel, vessel sales and purchases, business plans, overall market conditions and market economic outlook.

Undiscounted projected net operating cash flows are determined for each asset group, for which impairment indicators are present, and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, ballast water treatment system costs, exhaust gas cleaning system costs and other capitalized items, if any, related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel or the carrying value of deposits for newbuildings. Within the shipping industry, vessels are customarily bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to the current market rates. The loss recognized either on impairment or on disposition will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

As of December 31, 2023, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of certain of Navios Partners' long-lived assets might exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations. As a result, a recoverability test of certain of long-lived assets was performed.

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As of December 31, 2021, the Company concluded that events and circumstances did not trigger the existence of potential impairment of its vessels and the related intangible assets and that a recoverability test was not required.

Undiscounted projected net operating cash flow analysis is performed by considering various assumptions regarding the charter revenues from existing time charters for the fixed fleet days (Navios Partners' remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates for the first year and ten-year average historical one-year time charter rates for the remaining period), over the remaining economic life of each vessel, net of brokerage and address commissions, and excluding days of scheduled off-hires, scheduled dry-dockings or special surveys, scrap values, the use or probability of sale of each vessel, vessel operating expenses as determined by the Management Agreements (as defined herein) in effect until January 1, 2025 and thereafter assuming an annual increase of 3.0% every second year and utilization rate based on the fleet's historical performance.

As of December 31, 2023, the Company's recoverability test concluded that no impairment loss was identified and recognized, as the undiscounted projected net operating cash flows of each asset group exceeded the carrying value.

During the year ended December 31, 2022, an impairment loss of $7.9 million, which was presented under the caption "Gain on sale of vessels, net" in the Consolidated Statements of Operations, was recognized in connection with the committed sales of the Nave Cosmos in January 2023, the Nave Polaris in January 2023, the Jupiter N in February 2023 and the Navios Prosperity I in February 2023, as the carrying amount of each asset group was not recoverable and exceeded its fair value less costs to sell (see Note 7 — Vessels, net to our consolidated financial statements, included elsewhere in this annual report).

The Company compared the 10-year historical average (of the one-year charter rate for similar vessels) with the five-year, three-year and one-year historical averages (of the one-year charter rate for similar vessels). A comparison of the 10-year historical average (of the one-year charter rate for similar vessels) and the five-year, three-year and one-year historical averages (of the one-year charter rate for similar vessels) is as follows (as of December 31, 2023):

	Historical Average of One-year Charter Rates (over Various Periods) vs. the 10-year Historical Average (of the One-Year Charter Rate)		
	Five-Year Average	**Three-Year Average**	**One-Year Average**
	(% above/(below) the 10-year average)		
Ultra-Handymax	19.5%	45.4%	3.2%
Containerships 2,500– 2,800 TEU	55.5%	123.5%	(13.6%)
Containerships 3,450 TEU	61.6%	137.0%	(13.7%)
Containerships 4,250 – 4,730 TEU	64.5%	140.5%	(14.9%)
Containerships 6,800 TEU	21.5%	70.8%	(22.9%)
Containerships 10,000 TEU *	19.0%	60.1%	(15.6%)

* For the vessels with capacity of 10,000 TEU, the average daily rates were only available for the years 2017 through 2023.

If testing for impairment using the five-year, three-year and one-year historical averages (of the one-year charter rate for similar vessels) in lieu of the 10-year historical average (of the one-year charter rate for similar vessels), the Company estimates that none of its vessels would have carrying values in excess of their projected undiscounted future cash flows.

***Revenue and Expense Recognition*:**

Revenue from time chartering

Revenues from time chartering and bareboat chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average lease revenue over the rental periods of such charter agreements, as service is performed. A time charter involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Short period charters for less than three months are referred to as spot-charters. Charters extending three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease components will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel.

Revenue from voyage contracts

Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. Upon adoption of ASC 606, the Company recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract.

Pooling arrangements

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel's age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases under the scope of ASC 842 and is recognized for the applicable period when collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report.

Revenue from profit-sharing

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer's average daily income (calculated on a quarterly or semi annual basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive) on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Recent Accounting Pronouncements:

Please refer to Note 2 — Summary of significant accounting policies to the notes to the consolidated financial statements, included elsewhere in this annual report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our current directors and senior management:

Name	Age	Position
Angeliki Frangou	59	Chairwoman of the Board, Chief Executive Officer and Director
Ted C. Petrone	69	Vice Chairman of the Board
Shunji Sasada	66	President and Director
Efstratios Desypris	51	Chief Operating Officer
Erifyli Tsironi	50	Chief Financial Officer
Joergen Rosleff	52	Chief Commercial Officer
Vincent Vandewalle	51	Chief Trading Officer
Georgios Akhniotis	59	Executive Vice President-Business Development and Director
Anna Kalathaki	54	Executive Vice President - Risk Management
Vasiliki Papaefthymiou	55	Secretary
Serafeim Kriempardis	76	Director (Class III)
Vasilios Mouyis	61	Director (Class II)
Kunihide Akizawa	64	Director (Class I)
Alexander Kalafatides	60	Director (Class I)

Biographical information with respect to each of our current directors and our executive officers is set forth below. The business address for our directors and executive officers is 7 Avenue de Grande Bretagne, Monte Carlo, MC 98000 Monaco. Each of Ms. Frangou, Mr. Akhniotis and Mr. Sasada were appointed as directors by our general partner, pursuant to our partnership agreement.

Angeliki Frangou has been our Chairwoman of the Board of Directors and Chief Executive Officer since our inception. Ms. Frangou has also been Chairwoman and Chief Executive Officer of Navios Holdings, since August 2005. Ms. Frangou has been the Chairwoman and a Member of the Board of Directors of Navios South American Logistics Inc. since its inception in December 2007. Ms. Frangou is also a Member of the Board of the Foundation for Economic and Industrial Research (IOBE). Ms. Frangou also acts as Vice Chairwoman of the China Classification Society Mediterranean Committee, and is a member of the International General Committee and of the Hellenic and Black Sea Committee of Bureau Veritas, and is also a member of the Greek Committee of Nippon Kaiji Kyokai. Ms. Frangou received a Bachelor's Degree in Mechanical Engineering, summa cum laude, from Fairleigh Dickinson University and a Master's Degree in Mechanical Engineering from Columbia University.

Ted C. Petrone was appointed our Vice Chairman in November 2022. Mr. Petrone also serves as Vice Chairman of Navios Corporation since January 2015 having previously served as a director of Navios Holdings from May 2007 to January 2015 and President of Navios Corporation from September 2006 to January 2015. Mr. Petrone has also been Navios South American Logistics Inc. President since July 2020. Mr. Petrone also serves as Vice Chairman of Navios Maritime Partners L.P. since November 2022. Mr. Petrone has served in the maritime industry for 46 years, 43 of which he has spent with Navios Holdings. After joining Navios Holdings as an assistant vessel operator, Mr. Petrone worked in various operational and commercial positions. Mr. Petrone was previously responsible for all aspects of the daily commercial activity, encompassing the trading of tonnage, derivative hedge positions and cargoes. Mr. Petrone graduated from New York Maritime College at Fort Schuyler with a Bachelor of Science degree in maritime transportation. He has served aboard U.S. Navy (Military Sealift Command) tankers.

Shunji Sasada became our President in November 2022 and was appointed to our Board of Directors in August 2007. Mr. Sasada has also served as a director of Navios Holdings and President of Navios Corporation since January 2015. Mr. Sasada started his shipping career in 1981 in Japan with Mitsui O.S.K. Lines, Ltd. ("MOSK"). In 1991, Mr. Sasada joined Trinity Bulk Carriers as its chartering manager as well as subsidiary board member representing MOSK as one of the shareholders. After an assignment in Norway, Mr. Sasada moved to London and started MOSK's own Ultra-Handymax operation as its General Manager. Mr. Sasada joined Navios Holdings in May 1997. Mr. Sasada was Senior Vice President - Fleet Development of Navios Holdings from October 1, 2005 to July 2007 and Chief Operating Officer until December 2014. Mr. Sasada has been a member of the North American Committee of Nippon Kaiji Kyokai since inception. Mr. Sasada is a graduate of Keio University, Tokyo, with a B.A. degree in business and he is a member of Board of Trustees of Keio Academy of New York.

Efstratios Desypris has been the Chief Operating Officer of Navios Partners since November 2021. He has also served as Chief Financial Officer of Navios Partners from 2010 through November 2021. In addition, Mr. Desypris is the Chief Financial Controller of Navios Holdings, Navios Partners' sponsor, since May 2006 and the Chief Financial Officer of N Shipmanagement Acquisition since September 2019. Mr. Desypris has also been a Director of Navios Containers since November 2018. He also serves as SVP-Strategic Planning of Navios South American Logistics Inc. Before joining Navios Holdings, Mr. Desypris worked in the accounting profession, most recently as manager of the audit department at Ernst & Young in Greece. Mr. Desypris started his career as an auditor with Arthur Andersen & Co. in 1997. He holds a Bachelor of Science degree in Economics from the University of Piraeus.

Erifyli Tsironi has been our Chief Financial Officer since November 4th, 2021. Ms. Tsironi is also Senior Vice President – Credit Management of Navios Holdings since October 2014. Ms. Tsironi served as Chief Financial Officer of Navios Maritime Containers L.P. since 2019 until completion of the merger with Navios Maritime Partners L.P. in 2021, and as Chief Financial Officer of Navios Maritime Midstream Partners L.P since its inception in 2014 until completion of the merger with Navios Maritime Acquisition Corporation in 2018. Ms. Tsironi has 27 years experience in shipping. Before joining us, she was Global Dry Bulk Sector Coordinator and Senior Vice President at DVB Bank SE focusing on ship finance. Ms. Tsironi joined DVB Bank in 2000 serving as Assistant Local Manager and Senior Relationship Manager. Previously, she served as account manager/shipping department in ANZ Investment Bank/ANZ Grindlays Bank Ltd from May 1997 until December 1999. Ms. Tsironi holds a BSc. in Economics, awarded with Honours, from the London School of Economics and Political Science and a MSc in Shipping, Trade and Finance, awarded with Distinction, from Bayes (ex Cass) Business School of City University in London.

Joergen Rosleff was appointed our Chief Commercial Officer in November 2022. Previously Mr. Rosleff served as Chief Commercial Officer – Container Division since 2013. Mr. Rosleff has served as a Director and Head of Maersk Broker Exclusive Tonnage Team / Commercial Management Department before joining Navios as well as in various other senior positions in Maersk Broker for about 11 years. Mr. Rosleff has 30 years of experience in the shipping industry as he has served in various commercial positions - tankers, bulkers and containers. Mr. Rosleff has a degree in Business Administration, International Management and Economics, from Copenhagen Business School.

Vincent Vandewalle was appointed as our Chief Trading Officer in November 2022. Since 2010, Mr. Vandewalle also serves as Managing Director in Kleimar NV and has served in the Navios Group as Chief Commercial Officer in Dry bulk since 2012. Mr. Vandewalle has 22 years of experience in the shipping industry with focus in the dry bulk sector. He has served in several commercial positions in Kleimar N.V. in the past 22 years. Mr. Vandewalle has a degree followed by a Master in Applied Economics from University of Leuven and he also holds a Master in Taxation from the University of Leuven.

Georgios Akhniotis was appointed to our Board of Directors in August 2007 and he has been our Executive Vice President-Business Development since February 2008. Mr. Akhniotis has been Navios Holdings' Chief Financial Officer since April 12, 2007. Prior to being appointed Chief Financial Officer of Navios Holdings, Mr. Akhniotis served as Senior Vice President - Business Development of Navios Holdings from August 2006 to April 2007. Mr. Akhniotis has also been Navios South American Logistics Inc. Chief Executive Officer since October 2022 and Director. Prior to joining Navios Holdings, Mr. Akhniotis was a partner at PricewaterhouseCoopers from 1999 to August 2006. Mr. Akhniotis holds a Bachelor of Science degree in engineering from the University of Manchester and he is a member of the institute of chartered accountants in England and Wales. Mr. Akhniotis is also a member of the institute of certified accountants in Cyprus.

Anna Kalathaki was appointed our Executive Vice President – Risk Management in November 2022. Ms. Kalathaki has been Chief Legal Risk Officer of Navios Holdings since November 2012, and previously Senior Vice President — Legal Risk Management of Navios Holdings from December 2005 until October 2012. Ms. Kalathaki has also been Navios South American Logistics Inc. Secretary since inception and Executive Vice President – Group Risk Management and Director since October 2022. Ms Kalathaki is also a Director on the Member's Committee of the UK Club's Board of Directors since November 2023. Before joining Navios Holdings, Ms. Kalathaki was Associate Director of A Bilbrough & Co Ltd, Managers of the London Steam – Ship Owners' Mutual Insurance Association Limited having previously worked for a U.S. maritime law firm in New Orleans, and in a similar capacity thereafter in a London based maritime law firm. She was admitted to practice law in the state of Louisiana in 1995. She qualified as a solicitor in England and Wales in 1999 and was admitted to practice law before the Bar in Piraeus, Greece in 2003. She holds a B.A degree in International Relations from Georgetown University, Washington D.C. (1991), an MBA degree from European University in Brussels (1992 (and a law degree (J.D) from Tulane Law School (1995).

Vasiliki Papaefthymiou was appointed our Secretary in August 2007. Ms. Papaefthymiou has been Executive Vice President - Legal and a member of Navios Holdings' board of directors since August 25, 2005, and prior to that was a member of the board of directors of ISE. Ms. Papaefthymiou has served as general counsel for Maritime Enterprises Management S.A. since October 2001, where she has advised the company on shipping, corporate and finance legal matters. Ms. Papaefthymiou provided similar services as general counsel to Franser Shipping from October 1991 to September 2001. Ms. Papaefthymiou received her undergraduate degree from the Law School of the University of Athens and a Master degree in Maritime Law from Southampton University in the United Kingdom. Ms. Papaefthymiou is admitted to practice law before the Bar in Piraeus, Greece.

Serafeim Kriempardis was appointed to our Board of Directors in December 2009. Mr. Kriempardis previously served as the Head of Shipping of Piraeus Bank from 2007 to 2009 and as the Head of Shipping of Emporiki Bank of Greece from 1999 to 2007. Prior to serving as Head of Shipping at Emporiki Bank, Mr. Kriempardis served in the Project Finance and Corporate and Feasibility departments of the bank. Mr. Kriempardis is an accountant by training and holds a Bachelor's degree in Economics from the Athens University of Economics and Business and a Diploma in Management from the McGill University of Canada. Mr. Kriempardis also serves as chairman of the Audit Committee, chairman of the Compensation Committee and as a member of our Conflicts Committee, is an independent director.

Vasilios Mouyis was appointed to our Board of Directors in March 2023. Mr. Mouyis has over 34 years of experience in chartering and ship brokerage. He is the co-founder of the Athens-based ship brokering firm, Doric Shipbrokers S.A., where he currently serves as the joint managing director—a position he has held since the firm's inception in 1994. Previously, Mr. Mouyis served as a chartering broker at Clarkson's Plc South African office, formerly known as Afromar Pty Ltd. Mr. Mouyis participates as a panelist for the Handysize index of the Baltic Exchange, London, representing Doric Shipbrokers S.A. Mr. Mouyis holds a bachelor's degree in Economics from the American College of Greece and a post-graduate diploma in Port and Shipping Administration from The University of Wales, Institute of Science and Technology. Mr. Mouyis also serves on our Audit, Compensation and Conflicts Committee and is an independent director.

Kunihide Akizawa has 42 years of experience in shipping and logistics. Mr. Akizawa started his shipping career in 1982 in Japan with Mitsui O.S.K. Lines, Ltd. He worked in the accounting department, the export department focusing on the Red Sea and Mediterranean areas, the bulk department, and a chartering manager of Skaarup Shipping International Corporation, which was a joint-venture company with Mitsui O.S.K. Lines, Ltd. In 1995, Mr. Akizawa joined ITOCHU Corporation in the logistics division. In 2011, he became President of MarineNet, a subsidiary of ITOCHU Corporation as well as five other major Japanese trading houses. In 2016, he was appointed as President of IMECS Co., Ltd, the ship-owning arm of ITOCHU and full subsidiary. From 2021 to December 2022, Mr Akizawa served as Vice President Business Development of Fleet Management Limited. As of April 1st 2023, Mr. Akizawa joined Synergy Marine Japan, as Group Representative in Japan. Mr. Akizawa is a graduate of Gakushuin University, Tokyo with a B.A. degree in Economics.

Alexander Kalafatides has been a member of our board of directors since 2019. Mr. Kalafatides has over 40 years of experience in general management and marketing. Mr. Kalafatides is a Senior M&A Advisor for Hughes Klaiber, a boutique M&A investment bank for small to middle market firms. He also holds the position of Special Projects Director at IUC International LLC, a designer and importer of consumer products, and he also serves as an adjunct professor in International Business at Drexel University. He has been involved in considerable turnarounds in various sectors including the marine sector, where he served as Partner and Vice President of CCSI, Inc., a company acting as the sales agent of the Chevron/Texaco joint venture. Following its successful turnaround, the company was acquired by the Chevron/Texaco group. Mr. Kalafatides received his M.B.A. in marketing and international business from the New York University, his B.S.E. in computer engineering & science at the University of Pennsylvania and a Certificate of Director Education from Drexel University's Gupta Governance Institute. Mr. Kalafatides serves as chairman of the Conflicts Committee and as a member of the Audit Committee, is an independent director.

B. Compensation

Reimbursement of Expenses of Our General Partner

Our General Partner does not receive any management fee or other compensation for services from us, although it will be entitled to reimbursement for expenses incurred on our behalf. These expenses include all expenses necessary or appropriate for the conduct of our business and allocable to us, as determined by our General Partner. For the years ended December 31, 2023, 2022 and 2021 no amounts were paid to the General Partner.

Officers' Compensation

We were formed in August 2007. Because our officers, including our Chief Executive Officer and our Chief Financial Officer, are employees of the Managers, their compensation is set and paid by the Managers, and we reimburse the Managers for time they spend on the Company's matters pursuant to the Administrative Services Agreement. Under the terms of the Administrative Services Agreement, we reimburse the Managers for the actual costs and expenses they incur in providing administrative support services to us. The amount of our reimbursements to the Managers for the time of our officers depends on an estimate of the percentage of time our officers spent on our business and is based on a percentage of the salary and benefits that the Managers pay to such officers. For the years ended December 31, 2023, 2022 and 2021, the expenses charged by the Managers for administrative services, were $59.9 million, $50.2 million and $28.8 million, respectively.

Compensation of Directors

Our officers and directors who are also employees of the Managers do not receive additional compensation for their service as directors, other than Ms. Frangou who receives, a fee of $0.15 million per year for acting as a director and as Chairwoman of the Board. Each non-management director receives compensation for attending meetings of our board of directors, as well as committee meetings. Each non-management director receives a director fee of $0.08 million per year. The Chairman of our Audit Committee and our Compensation Committee receives an additional fee of $0.03 million per year and the Chairman of our Conflicts Committee receives an additional fee of $0.01 million per year. In addition, each director is reimbursed for out-of-pocket expenses in connection with attending meetings of the board of directors or committees. Each director is fully indemnified by us for actions associated with being a director to the extent permitted under Marshall Islands law.

For the year ended December 31, 2023, the aggregate annual fees paid to our non-management directors were $0.36 million and $0.15 million was paid to Ms. Frangou for acting as a director and as our Chairwoman of the Board.

In December 2023, the Compensation Committee of Navios Partners authorized and approved a cash payment of $5.5 million to our officers and directors for which all service conditions had been met as of December 31, 2023. Also, the Compensation Committee of Navios Partners authorized and approved an additional $5.5 million cash payment to the directors and officers of the Company subject to fulfillment of certain service conditions in 2024.

In February 2019, December 2019, December 2018 and December 2017, Navios Partners granted restricted common units to its directors and officers, which are based solely on service conditions and vest over four years each, respectively. Following the NNA Merger, Navios Partners assumed the restricted common units granted in December 2018 and December 2017 to directors and officers of Navios Acquisition, which are based solely on service conditions and vest over four years each, respectively. Upon the NNA Merger, the unvested restricted common units were 11,843 after exchange on a 1 to 0.1275 basis. The fair value of restricted common units is determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. During the year ended December 31, 2023, there were no restricted common units exercised, forfeited or expired. During the year ended December 31, 2022, the Company forfeited 12,699 unvested restricted common units and cancelled 259 general partnership units. There were no restricted common units exercised, forfeited or expired during the year ended December 31, 2021. Navios Partners vested 1,001, 29,216 and 61,626 restricted common units during the years ended December 31, 2023, 2022 and 2021, respectively.

C. Board Practices

Our partnership agreement provides that our General Partner has delegated to our board of directors the authority to oversee and direct our operations, management and policies on an exclusive basis and such delegation will be binding on any successor general partner of the partnership. Our executive officers manage our day-to-day activities consistent with the policies and procedures adopted by our board of directors. All of our executive officers and three of our directors also are executive officers and/or directors of Navios Holdings and our Chief Executive Officer is also the Chairwoman and Chief Executive Officer of Navios Holdings.

Following our first annual meeting of unitholders in 2008, our board of directors consisted of seven members, three persons who were appointed by our General Partner in its sole discretion and four who were elected by the common unitholders. Directors appointed by our general partner serve as directors for terms determined by our general partner. Directors elected by our common unitholders are divided into three classes serving staggered three-year terms. Two of the four directors elected by our common unitholders were designated as our Class I elected directors and will serve until our annual meeting of unitholders in 2024; one director was designated as the Class II elected director and will serve until our annual meeting of unitholders in 2025; and one director was designated as the Class III elected director and will serve until our annual meeting of unitholders in 2023. At each subsequent annual meeting of unitholders, directors will be elected to succeed the class of directors whose terms have expired by a plurality of the votes of the common unitholders, as such holders and voting are determined pursuant to our partnership agreement. Directors elected by our common unitholders will be nominated by the board of directors or by any limited partner or group of limited partners that holds at least 10% of the outstanding common units and complies with the requirements in our partnership agreement.

With respect to our corporate governance, there are several significant differences between us and a domestic issuer in that the New York Stock Exchange does not require a listed limited partnership like us to have a majority of independent directors on our board of directors or to establish a Compensation Committee, although we meet both requirements, or a nominating/corporate governance committee.

We have three committees: an Audit Committee, a Conflicts Committee and a Compensation Committee. Three independent members of our board of directors serve on the Conflicts Committee to review specific matters that the board believes may involve potential conflicts of interest. The Conflicts Committee determines if the resolution of the conflict of interest is fair and reasonable to us.

The members of the Conflicts Committee may not be officers or employees of our general partner or directors, officers or employees of its affiliates, and must meet the independence standards established by the New York Stock Exchange to serve on an Audit Committee of a board of directors and certain other requirements. Any matters approved by the Conflicts Committee are conclusively deemed to be fair and reasonable to us, approved by all of our partners, and not a breach by our directors, our general partner or its affiliates of any duties any of them may owe us or our unitholders. The members of our Conflicts Committee are Messrs. Alexander Kalafatides, Serafeim Kriempardis and Vasilios Mouyis.

In addition, we have an Audit Committee of three independent directors. One of the members of the Audit Committee is an "audit committee financial expert" for purposes of SEC rules and regulations. The Audit Committee, among other things, reviews our external financial reporting, engages our external auditors and oversees our internal audit activities and procedures and the adequacy of our internal accounting controls. Our Audit Committee is comprised of Messrs. Serafeim Kriempardis (financial expert), Alexander Kalafatides and Vasilios Mouyis.

Lastly, we have a Compensation Committee consisting of two independent directors, Mr. Vasilios Mouyis and Mr. Serafeim Kriempardis. The Compensation Committee is governed by a written charter, which was approved by our board of directors. The Compensation Committee is responsible for reviewing and approving the compensation of the Company's executive officers and for establishing, reviewing and evaluating the long-term strategy of our compensation plan.

Employees of the Managers, provide assistance to us and our operating subsidiaries pursuant to the Management Agreements and the Administrative Services Agreement.

Our Chief Executive Officer, Ms. Angeliki Frangou, our Chief Operating Officer, Mr. Efstratios Desypris, and our Chief Financial Officer, Mrs. Erifyli Tsironi, our Secretary, Vasiliki Papaefthymiou, and our Executive Vice President-Business Development, Georgios Akhniotis, allocate their time between managing our business and affairs and the business and affairs of Navios Holdings. As such these individuals have fiduciary duties to Navios Holdings which may cause them to pursue business strategies that disproportionately benefit Navios Holdings or which otherwise are not in our best interests or those of our unitholders. While the amount of time each of them allocate between our business and the business of Navios Holdings varies from time to time depending on various circumstances and the respective needs of the business. We intend, however, to cause our officers to devote as much time to the management of our business and affairs as is necessary for the proper conduct of our business and affairs.

Whenever our General Partner makes a determination or takes or declines to take an action in its individual capacity rather than in its capacity as our General Partner, it is entitled to make such determination or to take or decline to take such other action free of any fiduciary duty or obligation whatsoever to us or any limited partner, and is not required to act in good faith or pursuant to any other standard imposed by our partnership agreement or under the Marshall Islands Act or any other law. Specifically, our General Partner will be considered to be acting in its individual capacity if it exercises its call right, pre-emptive rights or registration rights, consents or withholds consent to any merger or consolidation of the partnership, appoints any directors or votes for the appointment of any director, votes or refrains from voting on amendments to our partnership agreement that require a vote of the outstanding units, voluntarily withdraws from the partnership, transfers (to the extent permitted under our partnership agreement) or refrains from transferring its units, or general partner interest or votes upon the dissolution of the partnership. Actions of our General Partner, which are made in its individual capacity, are made by Olympos Maritime Ltd.

D. Employees

Employees of the Managers provide assistance to us and our operating subsidiaries pursuant to the Management Agreements and the Administrative Services Agreement.

The Managers crew our vessels primarily with Ukrainian, Polish, Filipino, Russian and Indian officers and Filipino, Ethiopian, Indian and Ukrainian seamen. For these nationalities, officers and seamen are referred to the Managers by local crewing agencies. The crewing agencies handle each seaman's training while the Managers handle their travel and payroll. The Managers require that all of their seamen have the qualifications and licenses required to comply with international regulations and shipping conventions.

The Managers also provide on-shore advisory, operational and administrative support to us pursuant to service agreements. Please see "Item 7. Major Unitholders and Related Party Transactions" and Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

E. Unit Ownership

The following table sets forth certain information regarding beneficial ownership, as of March 31, 2024, of our units by each of our officers and directors and by all of our directors and officers as a group. The information is not necessarily indicative of beneficial ownership for any other purposes. Under SEC rules, a person or entity beneficially owns any units that the person or entity has the right to acquire as of May 30, 2024 (60 days after March 31, 2024) through the exercise of any unit option or other right. The percentage disclosed below is based on all outstanding common units (30,184,388), not including general partnership units (622,296). Unless otherwise indicated, each person or entity has sole voting and investment power (or shares such powers with his or her spouse) with respect to the units set forth in the following table. Information for certain holders is based on information delivered to us.

Identity of Person or Group	Common Units Owned	Percentage of Common Units Owned
Angeliki Frangou[1]	5,039,090	16.7%
Ted C. Petrone	*	*
Shunji Sasada	*	*
Efstratios Desypris	*	*
Joergen Rosleff	*	*
Georgios Akhniotis	*	*
Anna Kalathaki	*	*
Serafeim Kriempardis	*	*
Kunihide Akizawa	*	*
Alexander Kalafatides	*	*
Erifyli Tsironi	—	—
Vincent Vandewalle	—	—
Vasiliki Papaefthymiou	—	—
Vasilios Mouyis	—	—
All directors and officers as a group (14 persons)[2]	5,145,214	17.0%

*Less than 1%

(1) Represents common units beneficially owned directly and indirectly through affiliated entities.

(2) Each director, executive officer and key employee beneficially owns less than one percent of the outstanding common units, other than Angeliki Frangou.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation.

Nothing to disclose.

Item 7. Major Unitholders and Related Party Transaction

A. Major Unitholders

The following table sets forth the beneficial ownership as of March 31, 2024, of our common units by each person we know to beneficially own more than 5% of the common units. The number of units beneficially owned by each person is determined under SEC rules and the information is not necessarily indicative of beneficial ownership for any other purpose. Under SEC rules, a person beneficially owns any units as to which the person has or shares voting or investment power. In addition, a person beneficially owns any units that the person or entity has the right to acquire as of May 30, 2024 (60 days after March 31, 2024) through the exercise of any unit option or other right. The percentage disclosed under "Common Units Beneficially Owned" is based on all outstanding units of 30,184,388 common units. There are also 622,296 general partnership units outstanding which are not included in the ownership table below. The general partnership units are held by Olympos Maritime Ltd., which represents a 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units. For more information on our general partner, please read "Item 7. Major Unitholders and Related Party Transaction - B. Related Party Transactions".

	Common Units Beneficially Owned	
Name of Beneficial Owner	Number	Percentage
Angeliki Frangou[1]	5,039,090	16.7%
Pilgrim Global Advisors LLC[2]	4,908,105	16.3%
Ned L. Sherwood[3]	1,631,615	5.4%

(1) The number of common units beneficially owned is based on the information disclosed on the Schedule 13D/A filed with the SEC on March 6, 2024.

(2) The number of common units beneficially owned is based on the information disclosed on the Schedule 13G filed with the SEC on February 13, 2024.

(3) The number of common units beneficially owned is based on the information disclosed on the Schedule 13D filed with the SEC on November 28, 2023.

Our majority unitholders have the same voting rights as our other unitholders except as follows: each outstanding common unit is entitled to one vote on matters subject to a vote of common unitholders. However, to preserve our ability to be exempt from U.S. federal income tax under Section 883 of the Code, if at any time, any person or group owns beneficially more than 4.9% of any class of units then outstanding, any such units owned by that person or group in excess of 4.9% may not be voted. The voting rights of any such unitholders in excess of 4.9% will effectively be redistributed pro rata among the other unitholders holding less than 4.9% of the voting power of such class of units. Our General Partner, its affiliates and persons who acquired common units with the prior approval of our board of directors will not be subject to this 4.9% limitation except with respect to voting their common units in the election of the elected directors.

As of March 31, 2024, we had at least 33 common unit holders of record, 8 of which were located in the United States and held an aggregate of 25,427,253 of our common units, representing approximately 84% of our outstanding common units. However, one of the U.S. common unit holders of record is CEDE & CO., a nominee of The Depository Trust Company, which held 25,424,421 of our common units as of that date. Accordingly, we believe that the units held by CEDE & CO. include common units beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

B. Related Party Transactions

Please read Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report for a full description of related party transactions.

Registration Rights Agreements

On February 4, 2015, we completed a private placement to Navios Holdings of 74,703 common units and 1,526 general partnership units, raising gross proceeds of $15.0 million and in connection with such private placement, we entered into a registration rights agreement with Navios Holdings pursuant to which we provide Navios Holdings with certain rights relating to the registration of the common units.

The Omnibus Agreement

At the closing of the IPO, we entered into the Omnibus Agreement with Navios Holdings. The following discussion describes certain provisions of the Omnibus Agreement.

Noncompetition

Under the Omnibus Agreement, Navios Holdings agreed, and caused its controlled affiliates (other than us and our subsidiaries) to agree, not to acquire or own Panamax or Capesize drybulk carriers under charter for three or more years. This restriction does not prevent Navios Holdings or any of its controlled affiliates (other than us and our subsidiaries) from:

(1) acquiring or owning Panamax or Capesize drybulk carriers under charters for less than three years;

(2) acquiring a Panamax or Capesize drybulk carrier under charter for three or more years after the closing of the IPO if Navios Holdings offers to sell to us the vessel for fair market value or putting a Panamax or Capesize drybulk carrier that Navios Holdings owns under charter for three or more years if Navios Holdings offers to sell the vessel to us for fair market value at the time it is chartered for three or more years and, in each case, at each renewal or extension of that charter for three or more years;

(3) acquiring a Panamax or Capesize drybulk carrier under charter for three or more years as part of the acquisition of a controlling interest in a business or package of assets and owning those vessels; provided, however, that:

   (a) if less than a majority of the value of the total assets or business acquired is attributable to those Panamax or Capesize drybulk carriers and related charters, as determined in good faith by the board of directors of Navios Holdings, Navios Holdings must offer to sell such Panamax or Capesize drybulk carriers and related charters to us for their fair market value plus any additional tax or other similar costs to Navios Holdings that would be required to transfer the Panamax and Capesize drybulk carriers and related charters to us separately from the acquired business; and

   (b) if a majority or more of the value of the total assets or business acquired is attributable to the Panamax or Capesize drybulk carriers and related charters, as determined in good faith by the board of directors of Navios Holdings, Navios Holdings shall notify us in writing of the proposed acquisition. We shall, not later than the 15th calendar day following receipt of such notice, notify Navios Holdings if we wish to acquire such Panamax or Capesize drybulk carriers and related charters forming part of the business or package of assets in cooperation and simultaneously with Navios Holdings acquiring the non-Panamax or non-Capesize drybulk carriers and related charters forming part of that business or package of assets. If we do not notify Navios Holdings of our intent to pursue the acquisition within 15 calendar days, Navios Holdings may proceed with the acquisition as provided in (a) above;

(4) acquiring a non-controlling interest in any company, business or pool of assets;

(5) acquiring or owning any Panamax or Capesize drybulk carrier and related charter if we do not fulfill our obligation, under any existing or future written agreement, to purchase such vessel in accordance with the terms of any such agreement; acquiring or owning Panamax or Capesize drybulk carriers under charter for three or more years subject to the offers to us described in paragraphs (2) and (3) above pending our determination whether to accept such offers and pending the closing of any offers we accept;

(6) providing ship management services relating to any vessel whatsoever, including to Panamax or Capesize drybulk carriers owned by the controlled affiliates of Navios Holdings; or

(7) acquiring or owning Panamax or Capesize drybulk carriers under charter for three or more years if we have previously advised Navios Holdings that we consent to such acquisition, operation or charter.

Under the Omnibus Agreement, Navios Holdings will not be prohibited from operating chartered-in Panamax or Capesize drybulk carriers under charter-out contracts for three or more years, so long as immediately prior to the time such vessel is proposed to be put under such charter-out contract, Navios Holdings offers such charter-out opportunity to us in the event that (i) we have a Panamax or Capesize drybulk carrier that is available and comparable to Navios Holdings' chartered-in vessel and (ii) it is acceptable to the charter customer.

If Navios Holdings or any of its controlled affiliates (other than us or our subsidiaries) acquires or owns Panamax or Capesize drybulk carriers pursuant to any of the exceptions described above, it may not subsequently expand that portion of its business other than pursuant to those exceptions.

In addition, under the Omnibus Agreement we agreed, and caused our subsidiaries to agree, to acquire, own, operate or charter Panamax or Capesize drybulk carriers with charters of three or more years only (any vessels that are not Panamax or Capesize drybulk carriers will in the following be referred to as the "Non-Panamax and Non-Capesize Drybulk Carriers"). This restriction will not:

(1) prevent us or any of our subsidiaries from acquiring a Non-Panamax or Non-Capesize Drybulk Carrier and any related charters as part of the acquisition of a controlling interest in a business or package of assets and owning and operating or chartering those vessels, provided, however, that:

    (a) if less than a majority of the value of the total assets or business acquired is attributable to a Non-Panamax or Non-Capesize Drybulk Carrier and related charter, as determined in good faith by us; we must offer to sell such Non-Panamax or Non-Capesize Drybulk Carrier and related charter to Navios Holdings for their fair market value plus any additional tax or other similar costs to us that would be required to transfer the Non-Panamax and Non-Capesize Drybulk Carrier and related charter to Navios Holdings separately from the acquired business; and

    (b) if a majority or more of the value of the total assets or business acquired is attributable to a Non-Panamax or Non-Capesize Drybulk Carrier and related charter, as determined in good faith by us; we shall notify Navios Holdings in writing of the proposed acquisition. Navios Holdings shall, not later than the 15th calendar day following receipt of such notice, notify us if it wishes to acquire the Non-Panamax or Non-Capesize Drybulk Carrier forming part of the business or package of assets in cooperation and simultaneously with us acquiring the Panamax or Capesize Drybulk Carrier under charter for three or more years forming part of that business or package of assets. If Navios Holdings does not notify us of its intent to pursue the acquisition within 15 calendar days, we may proceed with the acquisition as provided in (a) above;

(2) prevent us or any of our subsidiaries from owning, operating or chartering a Non-Panamax or Non-Capesize Drybulk Carrier subject to the offer to Navios Holdings described in paragraph (1) above, pending its determination whether to accept such offer and pending the closing of any offer it accepts; or

(3) prevent us or any of our subsidiaries from acquiring, operating or chartering a Non-Panamax or Non-Capesize Drybulk Carrier if Navios Holdings has previously advised us that it consents to such acquisition, operation or charter.

If we or any of our subsidiaries owns, operates and charters Non-Panamax or Non-Capesize Drybulk Carriers pursuant to any of the exceptions described above, neither we nor such subsidiary may subsequently expand that portion of our business other than pursuant to those exceptions.

Upon a change of control of us or our General Partner, the noncompetition provisions of the Omnibus Agreement will terminate immediately. Upon a change of control of Navios Holdings, the noncompetition provisions of the Omnibus Agreement will terminate at the time that is the later of one year following the change of control and the date on which all of our outstanding subordinated units have converted to common units; provided, however, that in no event will the noncompetition provisions of the Omnibus Agreement terminate upon a change of control of Navios Holdings prior to the date that is four years following the date of the Omnibus Agreement.

Rights of First Offer

Under the Omnibus Agreement, we and our subsidiaries will grant to Navios Holdings a right of first offer on any proposed sale, transfer or other disposition of any of our Panamax or Capesize Drybulk carriers and related charters or any Non-Panamax or Non-Capesize Drybulk Carriers and related charters owned or acquired by us. Likewise, Navios Holdings agreed (and caused its subsidiaries to agree) to grant a similar right of first offer to us for any Panamax or Capesize Drybulk carrier under charter for three or more years it might own. These rights of first offer do not apply to a (a) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a charter party or (b) merger with or into, or sale of substantially all of the assets to, an unaffiliated third-party.

Prior to engaging in any negotiation regarding any vessel disposition with respect to a Panamax or Capesize Drybulk carrier under charter for three or more years with a non-affiliated third-party or any Non-Panamax or Non-Capesize Drybulk Carrier and related charter, we or Navios Holdings, as the case may be, will deliver a written notice to the other party setting forth the material terms and conditions of the proposed transaction. During the 15-day period after the delivery of such notice, we and Navios Holdings will negotiate in good faith to reach an agreement on the transaction. If we do not reach an agreement within such 15-day period, we or Navios Holdings, as the case may be, will be able within the next 180 calendar days to sell, transfer, dispose or re-charter the vessel to a third party (or to agree in writing to undertake such transaction with a third party) on terms generally no less favorable to us or Navios Holdings, as the case may be, than those offered pursuant to the written notice.

Upon a change of control of us or our general partner, the right of first offer provisions of the Omnibus Agreement will terminate immediately. Upon a change of control of Navios Holdings, the right of first offer provisions of the Omnibus Agreement will terminate at the time that is the later of one year following the change of control and the date on which all of our outstanding subordinated units have converted to common units; provided, however, that in no event will the right of first offer provisions of the Omnibus Agreement terminate upon a change of control of Navios Holdings prior to the date that is four years following the date of the Omnibus Agreement.

Indemnification

Navios Holdings will also indemnify us for liabilities related to certain income tax liabilities attributable to the operation of the assets contributed to us prior to the time they were contributed.

Amendments

The Omnibus Agreement may not be amended without the prior approval of the Conflicts Committee of our board of directors if the proposed amendment will, in the reasonable discretion of our board of directors, adversely affect holders of our common units.

Management Agreements

At the closing of the IPO, we entered into a management agreement, as amended, with the Manager, pursuant to which the Manager has agreed to provide certain commercial and technical management services to us. These services are provided in a commercially reasonable manner in accordance with customary ship management practice and under our direction. The Manager provides these services to us directly, but may subcontract for certain of these services with other entities.

The commercial and technical management services include:

- *the commercial and technical management of the vessel*: managing day-to-day vessel operations including negotiating charters and other employment contracts with respect to the vessels and monitoring payments thereunder, ensuring regulatory compliance, arranging for the vetting of vessels, procuring and arranging for port entrance and clearance, appointing counsel and negotiating the settlement of all claims in connection with the operation of each vessel, appointing adjusters and surveyors and technical consultants as necessary, and providing technical support,

- *vessel maintenance and crewing*: including supervising the maintenance and general efficiency of vessels, and ensuring the vessels are in seaworthy and good operating condition, arranging our hire of qualified officers and crew, arranging for all transportation, board and lodging of the crew, negotiating the settlement and payment of all wages, and

- *purchasing and insurance*: purchasing stores, supplies and parts for vessels, arranging insurance for vessels (including marine hull and machinery insurance, protection and indemnity insurance and war risk and oil pollution insurance).

The Management Agreements may be terminated, prior to the end of its term by us upon 120 days' notice if there is a change of control of the Managers, or by the Managers upon 120 days' notice if there is a change of control of us or our general partner. In addition, the Management Agreements may be terminated by us or by the Managers upon 120 days' notice if:

- the other party breaches the agreement;

- a receiver is appointed for all or substantially all of the property of the other party;

- an order is made to wind up the other party;

- a final judgment or order that materially and adversely affects the other party's ability to perform the Management Agreements is obtained or entered and not vacated or discharged; or

- the other party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or liquidation or commences any reorganization proceedings.

Furthermore, at any time after the first anniversary of the Management Agreements, the Management Agreements may be terminated prior to the end of its term by us or by the Managers upon 365 days' notice for any reason other than those described above. The Management Agreements provide for payment of a termination fee, equal to the fixed daily fees and other fees charged for the full calendar year (for Navios Partners, Navios Containers and Navios Acquisition) preceding the termination date in the event the agreements are terminated on or before its term. The duration of the Management Agreements is for a period of five years and upon its term shall be automatically renewed for a period of other five years.

In addition to the fixed daily fees payable under the Management Agreements, the Management Agreements provide that the Managers are entitled to reasonable supplementary remuneration for extraordinary fees and costs resulting from:

- time spent on insurance and salvage claims;
- time spent vetting and pre-vetting the vessels by any charterers in excess of 10 days per vessel per year;
- the deductible of any insurance claims relating to the vessels or for any claims that are within such deductible range;
- the significant increase in insurance premiums which are due to factors such as "acts of God" outside the control of the Managers;
- repairs, refurbishment or modifications, including those not covered by the guarantee of the shipbuilder or by the insurance covering the vessels, resulting from maritime accidents, collisions, other accidental damage or unforeseen events (except to the extent that such accidents, collisions, damage or events are due to the fraud, gross negligence or willful misconduct of the Managers, their employees or its agents, unless and to the extent otherwise covered by insurance);
- expenses imposed due to any improvement, upgrade or modification to, structural changes with respect to the installation of new equipment aboard any vessel that results from a change in, an introduction of new, or a change in the interpretation of, applicable laws, at the recommendation of the classification society for that vessel or otherwise;
- costs associated with increases in crew employment expenses resulting from an introduction of new, or a change in the interpretation of, applicable laws or resulting from the early termination of the charter of any vessel;
- any taxes, dues or fines imposed on the vessels or the Managers due to the operation of the vessels;
- expenses incurred in connection with the sale or acquisition of a vessel such as inspections and technical assistance; and
- any similar costs, liabilities and expenses that were not reasonably contemplated by us and the Managers as being encompassed by or a component of the fixed daily fees at the time the fixed daily fees were determined.

Under the Management Agreements, neither we nor the Managers are liable for failure to perform any of our or its obligations, respectively, under the Management Agreements by reason of any cause beyond our or their reasonable control.

In addition, the Managers have no liability for any loss arising in the course of the performance of the commercial and technical management services under the Management Agreements unless and to the extent that such loss is proved to have resulted solely from the fraud, gross negligence or willful misconduct of the Managers or their employees, in which case (except where such loss has resulted from the Managers; intentional personal act or omission and with knowledge that such loss would probably result) the Managers' liability is limited to $3.0 million for each incident or series of related incidents.

Further, under our Management Agreements, we have agreed to indemnify the Managers and their employees and agents against all actions which may be brought against them under the Management Agreements including, without limitation, all actions brought under the environmental laws of any jurisdiction, or otherwise relating to pollution or the environment, and against and in respect of all costs and expenses they may suffer or incur due to defending or settling such action; provided, however that such indemnity excludes any or all losses which may be caused by or due to the fraud, gross negligence or willful misconduct of the Manager or their employees or agents, or any breach of the Management Agreements by the Managers.

Commencing from January 1, 2024 vessel operating expenses are fixed for one year for a daily fee of: (a) $4,754 per Ultra-Handymax Vessel; (b) $4,864 per Panamax Vessel; (c) $5,913 per Capesize Vessel; (d) $6,667 per Containership of TEU 1,300 up to 3,400; (e) $6,792 per Containership of TEU 3,450 up to 4,999; (f) $7,541 per Containership of TEU 5,000 up to 6,800; (g) $8,502 per Containership of TEU 8,000 up to 9,999; (h) $9,038 per Containership of TEU 10,000 up to 11,999; (i) $7,459 per MR2 and MR1 product tanker vessel; (j) $7,896 per LR1 product tanker vessel; (k) $10,546 per VLCC; and (l) at cost for specialized transhipper vessels.

For additional information on the Management Agreements, please read Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

Administrative Services Agreement

At the closing of the IPO, we entered into the Administrative Services Agreement, as amended, with the Manager, pursuant to which the Manager has agreed to provide certain administrative management services to us. The Administrative Service Agreement expires on January 1, 2025 and shall be automatically renewed for a period of an additional five (5) years.

The Administrative Services Agreement may be terminated prior to the end of its term by us upon 120 days' notice if there is a change of control of the Manager or by the Manager upon 120 days' notice if there is a change of control of us or our General Partner. In addition, the Administrative Services Agreement may be terminated by us or by the Manager upon 120 days' notice if:

- the other party breaches the agreement;
- a receiver is appointed for all or substantially all of the property of the other party;
- an order is made to wind up the other party;
- a final judgment or order that materially and adversely affects the other party's ability to perform the management agreement is obtained or entered and not vacated or discharged; or
- the other party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or liquidation or commences any reorganization proceedings.

Furthermore, the Administrative Services Agreement may be terminated by us or by the Manager upon 365 days' notice for any reason other than those described above. The agreement provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date in the event the Administrative Services Agreement is terminated on or before its term.

The administrative services include:

- *bookkeeping, audit and accounting services:* assistance with the maintenance of our corporate books and records, assistance with the preparation of our tax returns and arranging for the provision of audit and accounting services;
- *legal and insurance services:* arranging for the provision of legal, insurance and other professional services and maintaining our existence and good standing in necessary jurisdictions;
- *administrative and clerical services:* assistance with office space, arranging meetings for our common unitholders pursuant to the partnership agreement, arranging the provision of IT services, providing all administrative services required for subsequent debt and equity financings and attending to all other administrative matters necessary to ensure the professional management of our business;
- *banking and financial services*: providing cash management including assistance with preparation of budgets, overseeing banking services and bank accounts, arranging for the deposit of funds, negotiating loan and credit terms with lenders and monitoring and maintaining compliance therewith;
- *advisory services*: assistance in complying with United States and other relevant securities laws;
- *client and investor relations:* arranging for the provision of, advisory, clerical and investor relations services to assist and support us in our communications with our common unitholders;
- integration of any acquired businesses; and
- client and investor relations.

We reimburse the Manager for reasonable costs and expenses incurred in connection with the provision of these services within 15 days after the Manager submits to us an invoice for such costs and expenses, together with any supporting detail that may be reasonably required.

Under the Administrative Services Agreement, we have agreed to indemnify the Manager and its employees against all actions which may be brought against them under the Administrative Services Agreement including, without limitation, all actions brought under the environmental laws of any jurisdiction, and against and in respect of all costs and expenses they may suffer or incur due to defending or settling such actions; provided, however that such indemnity excludes any or all losses which may be caused by or due to the fraud, gross negligence or willful misconduct of the Manager or its employees or agents.

For additional information on the Administrative Agreement, please read Note 17 – Transactions with related parties and affiliates to our consolidated financial statements, included elsewhere in this annual report.

C. Interests of Experts and Counsel.

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements: See Item 18. Financial Statements.

Legal Proceedings

We are not involved in any legal proceedings or aware of any proceedings against us, or contemplated to be brought against us that we believe would have a material adverse effect on our business, financial position, results of operations and liquidity.

From time to time, we may be subject to legal proceedings and claims arising out of our operations in the normal course of business. We maintain insurance policies with insurers in amounts and with coverage and deductibles as our board of directors believes are reasonable and prudent. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources.

Cash Distribution Policy

Limitations on Cash Distributions and Our Ability to Change Our Cash Distribution Policy

There is no guarantee that unitholders will receive quarterly distributions from us. Beginning with the quarter ending December 31, 2015, our Board of Directors elected to suspend distributions on our common units in order to preserve cash and improve our liquidity. In March 2018, the Company's Board of Directors announced a new distribution policy under which it paid quarterly cash distributions in the amount of $0.30 per unit, or $1.20 annually. In July 2020, the Company amended its distribution policy under which it intends to pay quarterly cash distributions in the amount of $0.05 per unit, or $0.20 annually.

Our distribution policy is subject to certain restrictions and may be changed at any time, including:

- Our unitholders have no contractual or other legal right to receive distributions other than the obligation under our partnership agreement to distribute available cash on a quarterly basis, which is subject to the broad discretion of our board of directors to establish reserves and other limitations.
- While our partnership agreement requires us to distribute all of our available cash, our partnership agreement, including provisions requiring us to make cash distributions contained therein, may be amended.
- Even if our cash distribution policy is not modified or revoked, the amount of distributions we pay under our cash distribution policy and the decision to make any distribution is determined by our board of directors, taking into consideration the terms of our partnership agreement.
- Under Section 51 of the Marshall Islands Limited Partnership Act, we may not make a distribution to our unitholders if the distribution would cause our liabilities to exceed the fair value of our assets.
- We may lack sufficient cash to pay distributions to our unitholders due to decreases in net revenues or increases in operating expenses, principal and interest payments on outstanding debt, tax expenses, working capital requirements, maintenance and replacement capital expenditures or anticipated cash needs.
- Our distribution policy is affected by restrictions on distributions under our credit facilities or other debt instruments. Specifically, our credit facilities contain material financial tests that must be satisfied and we will not pay any distributions that will cause us to violate our credit facilities or other debt instruments. Should we be unable to satisfy these restrictions included in our credit facilities or if we are otherwise in default under our credit facilities, our ability to make cash distributions to unitholders, notwithstanding our cash distribution policy, would be materially adversely affected.
- If we make distributions out of capital surplus, as opposed to operating surplus, such distributions will constitute a return of capital and will result in a reduction in the minimum quarterly distribution and the target distribution levels. We do not anticipate that we will make any distributions from capital surplus.

Our ability to make distributions to our unitholders depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, the provisions of existing and future indebtedness, applicable partnership and limited liability company laws and other laws and regulations.

Quarterly Distribution

Please read Note 18 – Cash distributions and earnings per unit to our consolidated financial statements, included elsewhere in this annual report for a full description of the authorized cash distributions of the Company.

B. Significant Changes

No significant changes have occurred since the date of the annual financial statements included herein.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our common units are traded on the New York Stock Exchange (or "NYSE") under the symbol "NMM".

B. Plan of Distribution

Not applicable.

C. Markets

See "Item 9.A Offer and Listing Details."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The information required to be disclosed under Item 10.B is incorporated by reference to the following sections of the prospectus included in our Registration Statement on Form F-1 filed with the SEC on November 14, 2007, as such disclosures may be revised pursuant to amendments to our Agreement of Limited Partnership: "The Partnership Agreement," "Description of the Common Units - The Units", "Conflicts of Interest and Fiduciary Duties", "How we make Cash Distributions" and "Our Cash Distribution Policy and Restrictions on Distributions."

On June 10, 2009, we executed the Second Amended and Restated Agreement of Limited Partnership of Navios Partners. The Second Amended and Restated Agreement of Limited Partnership designated a new series of subordinated units as Subordinated Series A Units (the "Series A Units").

On March 12, 2015, we executed the Third Amended and Restated Agreement of Limited Partnership of Navios Partners in order to reflect the conversion of the Subordinated Units and the Subordinated Series A Units into Common Units.

On March 19, 2018, we executed the Fourth Amended and Restated Agreement of Limited Partnership of Navios Partners in order to reflect the recent process to clarify the quorum necessary to conduct business at any adjourned meeting.

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the two years immediately preceding the date of this annual report, each of which is included in the list of exhibits in Item 19.

Except as otherwise indicated, please read "Item 5. Operating and Financial Review and Prospects - Trends and Factors Affecting Our Future Results of Operations - Liquidity and Capital Resources - Credit Facilities – Financial Liabilities" for a summary of certain contract terms.

- Omnibus Agreement, dated as of November 16, 2007, among Navios Holdings, Navios GP LLC, Navios Maritime Operating LLC., and Navios Partners. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment to Omnibus Agreement, dated as of June 29, 2009, among Navios Holdings, Navios GP LLC, Navios Maritime Operating LLC., and Navios Partners, relating to the Omnibus Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Management Agreement dated November 16, 2007, between Navios Partners and Navios ShipManagement. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment to Management Agreement dated October 29, 2009, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 2 to Management Agreement dated October 21, 2011, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 3 to Management Agreement dated October 30, 2013, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 4 to Management Agreement dated August 29, 2014, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 5 to Management Agreement dated February 10, 2015, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 6 to Management Agreement dated May 4, 2015, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 7 to Management Agreement dated February 4, 2016, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 8, to Management Agreement dated November 14, 2017, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 9 to Management Agreement dated August 28, 2019, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 10 to Management Agreement dated December 13, 2019, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Administrative Services Agreement, dated as of November 16, 2007, between Navios Partners and Navios ShipManagement. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 1, dated October 21, 2011, to the Administrative Services Agreement, dated as of November 16, 2007, between Navios Partners and Navios ShipManagement. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 2 to Administrative Services Agreement, dated November 14, 2017, between Navios Maritime Partners and Navios ShipManagement. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 3 to Administrative Services Agreement, dated August 28, 2019, between Navios Maritime Partners and Navios ShipManagement. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 1 to Management Agreement, dated November 23, 2017, between Navios Containers and Navios Shipmanagement Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 2 to Management Agreement, dated April 23, 2018, between Navios Containers and Navios Shipmanagement Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 3 to Management Agreement, dated June 1, 2018, between Navios Containers and Navios Shipmanagement Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment No. 4 to Management Agreement, dated August 28, 2019, between Navios Containers and Navios Shipmanagement Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Management Agreement dated May 28, 2010, between Navios Acquisition and Navios Ship Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment to the Management Agreement dated May 4, 2012, between Navios Acquisition and Navios Tankers Manager Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Amendment to the Management Agreement dated May 14, 2014, between Navios Acquisition and Navios Tankers Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Fourth Amendment to the Management Agreement, dated May 19, 2016, between Navios Acquisition and Navios Tankers Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Fifth Amendment to the Management Agreement, dated May 3, 2018, between Navios Acquisition and Navios Tankers Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Sixth Amendment to the Management Agreement, dated as of August 29, 2019, by and between Navios Acquisition and Navios Tankers Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Seventh Amendment to the Management Agreement, dated as of December 13, 2019, by and between Navios Acquisition and Navios Tankers Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Eighth Amendment to the Management Agreement, dated as of June 26, 2020, by and between Navios Acquisition and Navios Tankers Management Inc. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Continuous Offering Program Sales Agreement, dated November 18, 2016, between Navios Partners and S. Goldman Capital LLC. Please read "Item 5. Operating and Financial Review and Prospects" for a summary of certain contract terms.

- Amendment No. 1 to Continuous Offering Program Sales Agreement, dated June 2, 2017, with S. Goldman Capital LLC.

- Amendment No. 2 to Continuous Offering Program Sales Agreement, dated August 3, 2020, with S. Goldman Capital LLC.

- Deed of Accession, Amendment, Release and Restatement relating to a Facility Agreement, for a term loan facility, dated December 07, 2021, by and among Navios Maritime Acquisition Corporation as released borrower, Navios Maritime Partners L.P. as new borrower, the banks and financial institutions listed therein as lenders, and Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee.

- Facility Agreement, for a term loan facility, dated December 13, 2021, by and among Tinos Shipping Corporation, Psara Shipping Corporation, Oinousses Shipping Corporation, Joy Shipping Corporation and Avery Shipping Company as borrowers and DNB (UK) LIMITED as lender and Mandated Lead Arranger, DNB Bank ASA, London Branch as Facility Agent, Security Agent and Sustainability Agent.

- Deed of Accession, Amendment, Release and Restatement relating to a Facility Agreement, for a term loan facility, dated December 13, 2021, by and among Zakynthos Shipping Corporation, Delos Shipping Corporation, Kerkyra Shipping Corporation, Alkmene Shipping Corporation, Persephone Shipping Corporation and Chernava Marine Corp., Navios Maritime Acquisition Corporation as released guarantor, Navios Maritime Partners L.P. as new guarantor, the banks and financial institutions listed therein as lenders, and BNP Paribas and Crédit Agricole Corporate and Investment Bank as Lenders and Mandated Lead Arrangers and BNP Paribas as agent and security trustee

- Facility Agreement dated March 28, 2022, by and among Esmeralda Shipping Corporation, Proteus Shiptrade SA and Triangle Shipping Corporation as borrowers and ABN AMRO Bank N.V. as lender, agent and security trustee

- Bareboat Charter and Memorandum of Agreement, dated December 12, 2018, among Seven Shipping S.A. and Shichifuki Gumi Co., Ltd., as buyers and bareboat owners, and Perigiali Navigation Limited, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Beaufiks.

- Bareboat Charter and Memorandum of Agreement, dated December 10, 2018, between Sansha Shipping S.A. as buyer and bareboat owner, and Fantastiks Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Fantastiks.

- Bareboat Charter and Memorandum of Agreement, dated April 5, 2019, among Hinode Kaiun Co., Ltd., Mansei Kaiun Co., Ltd., and Sunmarine Maritime S.A. as buyers and bareboat owners, and Casual Shipholding Co., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sol.

- Bareboat Charter and Memorandum of Agreement, dated June 7, 2019, among Tachibana Kaiun Co., Ltd. and Sakae Shipping S.A., as buyers and bareboat owners, and Sagittarius Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sagittarius.

- Bareboat Charter and Memorandum of Agreement, dated July 2, 2019, between Takanawa Line Inc.as buyers and bareboat owners, and Finian Navigation Co., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Ace.

- Bareboat Charters and Memorandum of Agreements, dated June 18, 2021, between Mi-Das Line S.A. as buyer and bareboat owner and Lavender Shipping Corporation and Nostos Shipmanagement Corp. as sellers and bareboat charterers, providing for the sale and leaseback of the Navios Ray and the Navios Bonavis.

- Bareboat Charter and Memorandum of Agreement, dated August 16, 2021, between Batanagar Shipping Corporation, as buyer and bareboat owner, and Finian Navigation Co., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Pollux.

- Bareboat Charters and Memoranda of Agreement by and between Ocean Dazzle Shipping Limited, wholly owned subsidiary of Minsheng Financial Leasing Co. Ltd., and Evian Shiptrade Ltd and Anthimar Marine Inc., dated May 25, 2018, providing for the sale and leaseback of the Navios Amaranth and Navios Amarillo, respectively.

- Bareboat Charters and Memoranda of Agreement by and between Xiang L44 Hk International Ship Lease Co., Limited, Xiang L45 Hk International Ship Lease Co.,

Limited, Xiang L46 Hk International Ship Lease Co., Limited and Xiang L47 Hk International Ship Lease Co., Limited wholly owned subsidiaries of Bank of Communications Financial Leasing Company and Vythos Marine Corp., Nefeli Navigation S.A., Fairy Shipping Corporation and Limestone Shipping Corporation dated March 11, 2020, providing for the sale and leaseback of the Navios Constellation, the Navios Unison, the Navios Utmost and the Navios Unite.

- Bareboat charters and Memoranda of Agreement, among Sea 66 Leasing Co. Limited, Sea 67 Leasing Co. Limited, Sea 68 Leasing Co. Limited and Sea 69 Leasing Co. Limited wholly owned subsidiaries of China Merchants Bank Limited, dated March 31, 2018, providing for the sale and leaseback of the Nave Atria, Nave Aquila, Nave Bellatrix and Nave Orion respectively.

- Bareboat Charter and Memoranda of Agreement, dated August 9, 2019, between World Star Shipping S.A. and Samothrace Shipping Corporation, providing for the sale and leaseback of the Nave Pulsar.

- Bareboat Charter and Memorandum of Agreement, dated June 12, 2020, for the sale and leaseback transaction among Great Rhodes Limited, Great Skyros Limited, Great Crete Limited and Great Rhea Limited, being subsidiaries of AVIC International Leasing Co., Ltd., and Rhodes Shipping Corporation, Skyros Shipping Corporation, Crete Shipping Corporation and Rhea Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Cassiopeia, Nave Sextans, Nave Cetus and Perseus N, respectively

- Agreement and Plan of Merger, dated December 31, 2020, by and among Navios Maritime Partners L.P., NMM Merger Sub LLC, Navios Maritime Containers L.P. and Navios Maritime Containers GP LLC. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Agreement and Plan of Merger, dated August 25, 2021, by and among Navios Maritime Partners L.P., Navios Acquisition Merger Sub. Inc. and Navios Maritime Acquisition Corporation. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.

- Bareboat Charter and Memorandum of Agreement, dated February 21, 2022, between Kotobuki Kaiun Co., Ltd., Yutoku Kinkai Kisen Co., Ltd. And Kotobuki Shipping Corporation, S.A., as buyers and bareboat owners, and Kleimar NV and White Narcissus Marine S.A., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Asteriks.

- Facility Agreement dated May 9, 2022, by and among Cronus Shipping Corporation, Bole Shipping Corporation, Skopelos Shipping Corporation, Ios Shipping Corporation and Antipaxos Shipping Corporation, as borrowers, and Hellenic Bank Public Company Limited, as lender, arranger, agent, account bank and security trustee

- Facility Agreement dated June 29, 2022, by and among Customized Development S.A., Kohylia Shipmanagement S.A., Floral Marine LTD. and Ianthe Maritime S.A. as borrowers, and Skandinaviska Enskilda Banken AB.

- Bareboat Charter and Memorandum of Agreement, dated July 4, 2022, between Bright Carrier S.A, as buyers and bareboat owners, and Anafi Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sky.

- Amendment No. 11 dated July 25, 2022, to the Management Agreement dated November 16, 2007, between Navios Maritime Partners L.P. and Navios Shipmanagement Inc.

- Facility Agreement dated September 5, 2022, by and among Navios Maritime Partners L.P. and Hamburg Commercial Bank AG as Agent, Mandated Lead Arranger and Security Trustee.

- Facility Agreement dated September 30, 2022, by and among Melpomene Shipping Corporation and Urania Shipping Corporation, as borrowers, and KFW IPEX-Bank GMBH, as lender, mandated lead arranger, facility agent and security agent.

- Form of Bareboat Charter and Memorandum of Agreement, dated October 27, 2022, for the sale and leaseback transaction between Xiang H131 International Ship Lease Co., Limited Xiang H129 International Ship Lease Co., Limited Xiang H130 International Ship Lease Co., Limited, Xiang H104 International Ship Lease Co., Limited, Xiang H119 International Ship Lease Co., Limited, Xiang H132 International Ship Lease Co., Limited, Jiahai International Ship Lease Co., Limited, Jialong International Ship Lease Co., Limited,, Xiang L33 HK International Ship Lease Co., Limited, Xiang T51 HK International Ship Lease Co., Limited, Longshi International Ship Lease Co., Limited, Longli International Ship Lease Co., Limited, being subsidiaries Bank of Communications Financial Leasing Company Limited, and Velour Management Corp., Morven Chartering Inc., Isolde Shipping Inc., Rodman Maritime Corp., Silvanus Marine Company, Enplo Shipping Limited, Olympia II Navigation Limited, Pingel Navigation Limited, Ebba Navigation Limited, Clan Navigation Limited, Evian Shiptrade Ltd, Anthimar Marine Inc. being wholly owned subsidiaries of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Vermilion, Matson Oahu, Navios Indigo, Navios Spring, Navios Summer, Navios Verde, Navios Domino, Navios Delight, Navios Destiny, Navios Devotion, Matson Lanai, Navios Amarillo, respectively.

- Bareboat Charter and Memorandum of Agreement (form of), dated December 5, 2022, between Wealth Line Inc., as buyers and bareboat owners, and Sagittarius Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sagittarius.

- Bareboat Charter and Memorandum of Agreement (form of), dated February 14, 2023, between Glory Ocean Shipping S.A. and Temm Maritime Co., Ltd., as buyers and bareboat owners, and Koufonisi Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Felix.

- 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.

- 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.

- 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 the Navios Phoenix.

- Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Rumer Holding Ltd. and Juno Maritime Corp., providing for the sale and leaseback of Navios Antares.

- Bareboat Carter and Memorandum of Agreement, dated November 27, 2019, among Anchor Trans Inc., and Vernazza Shiptrade Inc, being a wholly-owned subsidiary of Navios Maritime Holdings Inc., providing for the sale and leaseback of Dream Canary.

- Bareboat Charter and Memorandum of Agreement, dated February 13, 2020, between Lua Line S.A. and Okino Kaiun Co. and Roselite Shipping Corporation, being a wholly-owned subsidiary of Navios Maritime Holdings Inc., providing for the sale and leaseback of Navios Corali.

- Bareboat Charter and Memorandum of Agreement, dated July 4, 2022, between Bright Carrier S.A, as buyers and bareboat owners, and Anafi Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sky.

- Term Loan Facility Agreement dated February 16, 2023, by and among Terpsichore Shipping Corporation, Erato Shipmanagement Corporation, Calliope Shipping Corporation, and Euterpe Shipping Corporation, as borrowers, DNB Bank ASA, as agent, and the Banks and Financial Institutions listed therein.

- Term Loan Facility Agreement dated April 19, 2023, by and among Folegandros Shipping Corporation, Serifos Shipping Corporation, Sifnos Shipping Corporation, Syros Shipping Corporation and Skiathos Shipping Corporation, as borrowers, Skandinaviska Enskilda Banken AB, as agent, bank, and arranger, and the Banks and Financial Institutions listed therein.

- Loan Agreement dated April 25, 2023, between Karpathos Shipping Corporation, and Patmos Shipping Corporation, as borrowers, KFW IPEX-Bank GMBH, as facilitly and security agent, mandated lead arranger, and K-Sure agent, and the Banks and Financial Institutions listed therein.

- Loan Agreement dated May 2, 2023, between Antipsara Shipping Corporation, Kithira Shipping Corporation, and Thasos Shipping Corporation, as borrowers, Eurobank S.A., as agent, arranger, and security agent, Eurobank Cyprus Ltd., as account bank, and the Banks and Financial Institutions listed therein.

- Bareboat Charter and Memorandum of Agreement (Form of) dated May 19, 2023, by and between Xiang H145 International Ship Lease Co., Limited, Xiang H142 International Ship Lease Co., Limited, Xiang H143 International Ship Lease Co., Limited, Xiang H144 International Ship Lease Co., Limited, wholly owned subsidiaries of Bank of Communications Financial Leasing Company as buyers and bareboat owners and Polymnia Shipping Corporation, Kleio Shipping Corporation, Astrovalos Shipping Corporation and Gavdos Shipping Corporation as seller and bareboat charterers, providing for the sale and leaseback of Nave Cosmos, Nave Photon, Zim Seagull and Zim Albatross.

- Bareboat Charter and Memorandum of Agreement dated October 19, 2023, by and between Mitsui & Co., Ltd. as Shipbroker, Atokos Shipping Corporation as seller bareboat charterers and Blue Wave Line Inc. as owners, providing for the sale and leaseback of Navios Horizon I.

- Sample Bareboat Charter and Memorandum of Agreement, dated November 28, 2023, for the sale and leaseback transaction among HAIJIN No.11 (TIANJIN) LEASING CO., LIMITED , HAIJIN No.8 (TIANJIN) LEASING CO., LIMITED, HAIJIN No. 9 (TIANJIN) LEASING CO., LIMITED and HAIJIN No.10 (TIANJIN) LEASING CO., LIMITED being subsidiaries of ICBC Financial Leasing Co., Ltd and Nisyros Shipping Corporation, Makri Shipping Corporation, Meganisi Shipping Corporation, Despotiko Shipping Corporation, Ithaki Shipping Corporation, Thalia Shipping Corporation, Muses Shipping Corporation, Tarak Shipping Corporation all being subsidiaries of Navios Maritime Partners L.P.

- Term Loan Facility Agreement dated January 3, 2024, by and among Oinousses Shipping Corporation, Psara Shipping Corporation, and Tinos Shipping Corporation as borrowers, Nordea Bank ABP, Filial I Norge, as lead arranger, agent, bank, and bookrunner, and the Banks and Financial Institutions listed therein.

- Bareboat Charter and Memorandum of Agreement dated February 22, 2024, by and between Itochu Corporation as Shipbroker, Aramis Navigation Inc. as seller bareboat charterers and Seven Shipping S.A. of Panama as owners, providing for the sale and leaseback of MV Navios Azimuth 9589839.

D. Exchange controls

We are not aware of any governmental laws, decrees or regulations, including foreign exchange controls, in the Marshall Islands, Liberia, Malta, British Virgin Islands, Luxemburg, Hong Kong, Belgium, Cayman Islands, and the countries of incorporation of Navios Partners and its subsidiaries that restrict the export or import of capital, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

We are not aware of any limitations on the right of non-resident or foreign owners to hold or vote our securities imposed by the laws of the Republic of the Marshall Islands or our Certificate of Formation and Limited Partnership Agreement.

E. Taxation

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of the material U.S. federal income tax considerations that may be relevant to beneficial owners of our common units and, unless otherwise noted in the following discussion, is the opinion of Thompson Hine LLP, our U.S. counsel, insofar as it relates to matters of U.S. federal income tax law and legal conclusions with respect to those matters. The opinion of our counsel is dependent on the accuracy of representations made by us to them, including descriptions of our operations contained herein.

This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury Regulations, and administrative rulings and court decisions, all as in effect or in existence on the date of this filing and all of which are subject to change or differing interpretations by the Internal Revenue Service ("IRS") or a court, possibly with retroactive effect. Changes in these authorities may cause the tax consequences of ownership of our common units to vary substantially from the consequences described below. For example, the current U.S. administration has set forth several tax proposals that would, if enacted, make significant changes to U.S. tax laws. Such proposals include, but are not limited to, an increase in the U.S. federal income tax for long-term capital gain for certain taxpayers with income in excess of a threshold amount. The U.S. Congress may consider, and could include, some or all of these proposals in connection with any tax legislation. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. Unless the context otherwise requires, references in this section to "we," "our" or "us" are references to Navios Maritime Partners L.P.

The following discussion applies only to beneficial owners of common units that own the common units as "capital assets" (generally, property held for investment purposes). The following discussion does not address all aspects of U.S. federal income taxation that may be important to particular beneficial owners of common units in light of their individual circumstances, such as (i) beneficial owners of common units subject to special tax rules (e.g., banks or other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, broker-dealers, traders that elect to mark-to-market for U.S. federal income tax purposes, tax-exempt organizations and retirement plans, individual retirement accounts and tax-deferred accounts, or former citizens or long-term residents of the United States), beneficial owners that will hold the common units as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or beneficial owners that are accrual method taxpayers for U.S. federal income tax purposes and are required to accelerate the recognition of any item of gross income with respect to the common units as a result of such income being recognized on an applicable financial statement, (ii) partnerships or other entities classified as partnerships for U.S. federal income tax purposes or their partners, (iii) U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar or (iv) beneficial owners of common units that own 2.0% or more (by vote or value) of our common units (including beneficial owners entitled to a "dividends received deduction" with respect to our common units), all of whom may be subject to tax rules that differ significantly from those summarized below. If a partnership or other entity classified as a partnership for U.S. federal income tax purposes holds our common units, the tax treatment of its partners generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partner in a partnership holding our common units, you should consult your own tax advisor regarding the tax consequences to you of the partnership's ownership of our common units.

No ruling has been obtained or will be requested from the IRS, regarding any matter affecting us or holders of our common units. The opinions and statements made herein may be challenged by the IRS and, if so challenged, may not be sustained upon review in a court.

This discussion does not contain information regarding any state or local, estate, gift or alternative minimum tax considerations concerning the ownership or disposition of common units.

Each beneficial owner of our common units should consult its own tax advisor regarding the U.S. federal, state, local, and other tax consequences of the ownership or disposition of common units.

Election to Be Treated as a Corporation

We have elected to be treated as a corporation for U.S. federal income tax purposes. Consequently, among other things, U.S. Holders (as defined below) will not directly be subject to U.S. federal income tax on their shares of our income, but rather will be subject to U.S. federal income tax on distributions received from us and dispositions of common units as described below.

U.S. Federal Income Taxation of U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of our common units that:

- is an individual U.S. citizen or resident (as determined for U.S. federal income tax purposes),
- a corporation (or other entity that is classified as a corporation for U.S. federal income tax purposes) organized under the laws of the United States or any of its political subdivisions,
- an estate the income of which is subject to U.S. federal income taxation regardless of its source, or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more "United States persons" (as defined in the Code) have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under current U.S. Treasury Regulations to be treated as a "United States person".

Distributions

Subject to the discussion below of the rules applicable to a PFIC, any distributions to a U.S. Holder made by us with respect to our common units generally will constitute dividends, which will be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in its common units on a dollar-for-dollar basis, and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. Holder held the common units for more than one year.

U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to distributions they receive from us. Dividends received with respect to the common units will be treated as foreign source income and generally will be treated as "passive category income" for U.S. foreign tax credit purposes.

Dividends received with respect to our common units by a U.S. Holder who is an individual, trust or estate (a "non-corporate U.S. Holder") generally will be treated as "qualified dividend income" that is taxable to such non-corporate U.S. Holder at preferential capital gain tax rates, provided that: (i) subject to the possibility that our common units may be delisted by a qualifying exchange, our common units are traded on an "established securities market" in the United States (such as the NYSE where our common units are traded) and are "readily tradeable" on such an exchange; (ii) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which we do not believe we are, have been or will be, as discussed below); (iii) the non-corporate U.S. Holder has owned the common units for more than 60 days during the 121-day period beginning 60 days before the date on which the common units become ex-dividend (and has not entered into certain risk limiting transactions with respect to such common units); and (iv) the non-corporate U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. Any dividends paid on our common units that are not eligible for these preferential rates will be taxed as ordinary income to a non-corporate U.S. Holder. In addition, a 3.8% tax may apply to certain investment income. See "Medicare Tax" below.

Special rules may apply to any amounts received in respect of our common units that are treated as "extraordinary dividends". In general, an extraordinary dividend is a dividend with respect to a common unit that is equal to or in excess of 10.0% of a U.S. Holder's adjusted tax basis (or fair market value upon the U.S. Holder's election) in such common unit. In addition, extraordinary dividends include dividends received within a one-year period that, in the aggregate, equal or exceed 20.0% of a U.S. Holder's adjusted tax basis (or fair market value) in a common unit. If we pay an "extraordinary dividend" on our common units that is treated as "qualified dividend income," then any loss recognized by a non-corporate U.S. Holder from the sale or exchange of such common units will be treated as long-term capital loss to the extent of the amount of such dividend.

Sale, Exchange or Other Disposition of Common Units

Subject to the discussion of PFICs below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our common units in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's adjusted tax basis in such units. The U.S. Holder's initial tax basis in the common units generally will be the U.S. Holder's purchase price for the common units and that tax basis will be reduced (but not below zero) by the amount of any distributions on the common units that are treated as non-taxable returns of capital (as discussed under "Distributions" above). Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition.

A corporate U.S. Holder's capital gains, long-term and short-term, are taxed at ordinary income tax rates. If a corporate U.S. Holder recognizes a loss upon the disposition of our common units, such U.S. Holder is limited to using the loss to offset other capital gain. If a corporate U.S. Holder has no other capital gain in the tax year of the loss, it may carry the capital loss back three years and forward five years.

Long-term capital gains of non-corporate U.S. Holders are subject to the favorable tax rate of a maximum of 20%. In addition, a 3.8% tax may apply to certain investment income. See "Medicare Tax" below. A non-corporate U.S. Holder may deduct a capital loss resulting from a disposition of our common units to the extent of capital gains plus up to $3,000 ($1,500 for married individuals filing separate tax returns) annually and may carry forward a capital loss indefinitely.

PFIC Status and Significant Tax Consequences

In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which the holder held our common units, either:

- at least 75.0% of our gross income (including the gross income of our vessel-owning subsidiaries) for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business), or
- at least 50.0% of the average value of the assets held by us (including the assets of our vessel-owning subsidiaries) during such taxable year produce, or are held for the production of, passive income.

Income earned, or deemed earned, by us in connection with the performance of services would not constitute passive income. By contrast, rental income generally would constitute "passive income" unless we were treated as deriving our rental income in the active conduct of a trade or business under the applicable rules.

Based on our current and projected methods of operations, and an opinion of counsel, we believe that we will not be a PFIC with respect to any taxable year. Our U.S. counsel, Thompson Hine LLP, is of the opinion that (1) the income we receive from the time chartering activities and assets engaged in generating such income should not be treated as passive income or assets, respectively, and (2) so long as our income from time charters exceeds 25.0% of our gross income for each taxable year after our initial taxable year and the value of our vessels contracted under time charters exceeds 50.0% of the average value of our assets for each taxable year after our initial taxable year, we should not be a PFIC. This opinion is based on representations and projections provided to our counsel by us regarding our assets, income and charters, and its validity is conditioned on the accuracy of such representations and projections.

Our counsel's opinion is based principally on their conclusion that, for purposes of determining whether we are a PFIC, the gross income we derive or are deemed to derive from the time chartering activities of our wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that we or our subsidiaries own and operate in connection with the production of such income, in particular, the vessels we or our subsidiaries own that are subject to time charters, should not constitute passive assets for purposes of determining whether we are or have been a PFIC. We expect that all of the vessels in our fleet will be engaged in time chartering activities and intend to treat our income from those activities as non-passive income, and the vessels engaged in those activities as non-passive assets, for PFIC purposes.

Our counsel has advised us that there is a significant amount of legal authority consisting of the Code, legislative history, IRS pronouncements and rulings supporting our position that the income from our time chartering activities constitutes services income (rather than rental income). There is, however, no direct legal authority under the PFIC rules addressing whether income from time chartering activities is services income or rental income. Moreover, in a case not interpreting the PFIC rules, *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), the Fifth Circuit held that the vessel time charters at issue generated predominantly rental income rather than services income. However, the IRS stated in an Action on Decision (AOD 2010-001) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in Tidewater would be treated as producing services income for PFIC purposes. The IRS's AOD, however, is an administrative action that cannot be relied upon or otherwise cited as precedent by taxpayers.

The opinion of our counsel is not binding on the IRS or any court. Thus, while we have received an opinion of our counsel in support of our position, there is a possibility that the IRS or a court could disagree with this position and the opinion of our counsel. In addition, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, we cannot assure you that the nature of our operations will not change in the future.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year in which a U.S. Holder owned our common units, the U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which we refer to as a "QEF election". As an alternative to making a QEF election, the U.S. Holder may be able to make a "mark-to-market" election with respect to our common units, as discussed below. In addition, if we were treated as a PFIC for any taxable year in which a U.S. Holder owned our common units, the U.S. Holder would be required to file IRS Form 8621 with the U.S. Holder's U.S. federal income tax return for each year to report the U.S. Holder's ownership of such common units. In the event a U.S. Holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. Holder for the related tax year will not close before the date that is three years after the date on which such report is filed.

It should also be noted that, if we were treated as a PFIC for any taxable year in which a U.S. Holder owned our common units and any of our non-U.S. subsidiaries were also a PFIC, the U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules.

Taxation of U.S. Holders Making a Timely QEF Election

If we were to be treated as a PFIC for any taxable year, and a U.S. Holder makes a timely QEF election (any such U.S. Holder, an "Electing Holder"), the Electing Holder must report for U.S. federal income tax purposes its pro rata share of our ordinary earnings and net capital gain, if any, for our taxable year that ends with or within the Electing Holder's taxable year, regardless of whether or not the Electing Holder received any distributions from us in that year. Such income inclusions would not be eligible for the preferential tax rates applicable to "qualified dividend income". The Electing Holder's adjusted tax basis in our common units will be increased to reflect taxed but undistributed earnings and profits. Distributions to the Electing Holder of our earnings and profits that were previously taxed will result in a corresponding reduction in the Electing Holder's adjusted tax basis in our common units and will not be taxed again once distributed. The Electing Holder would not, however, be entitled to a deduction for its pro rata share of any losses that we incur with respect to any year. An Electing Holder generally will recognize capital gain or loss on the sale, exchange or other disposition of our common units.

Even if a U.S. Holder makes a QEF election for one of our taxable years, if we were a PFIC for a prior taxable year during which the U.S. Holder owned our common units and for which the U.S. Holder did not make a timely QEF election, the U.S. Holder would also be subject to the more adverse rules described below under "Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election". However, under certain circumstances, a U.S. Holder may be permitted to make a retroactive QEF election with respect to us for any open taxable years in the U.S. Holder's holding period for our common units in which we are treated as a PFIC. Additionally, to the extent that any of our subsidiaries is a PFIC, a U.S. Holder's QEF election with respect to us would not be effective with respect to the U.S. Holder's deemed ownership of the stock of such subsidiary and a separate QEF election with respect to such subsidiary would be required.

A U.S. Holder makes a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with the U.S. Holder's U.S. federal income tax return. If, contrary to our expectations, we were to determine that we are treated as a PFIC for any taxable year, we would notify all U.S. Holders and would provide all necessary information to any U.S. Holder that requests such information in order to make the QEF election described above with respect to us and the relevant subsidiaries. A QEF election would not apply to any taxable year for which we are not a PFIC, but would remain in effect with respect to any subsequent taxable year for which we are a PFIC, unless the IRS consents to the revocation of the election.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

If we were to be treated as a PFIC for any taxable year and, subject to the possibility that our common units may be delisted by a qualifying exchange, our common units were treated as "marketable stock," then, as an alternative to making a QEF election, a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our common units, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the U.S. Holder's common units at the end of the taxable year over the holder's adjusted tax basis in the common units. The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in the common units over the fair market value thereof at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in the U.S. Holder's common units would be adjusted to reflect any such income or loss recognized. Gain recognized on the sale, exchange or other disposition of our common units would be treated as ordinary income, and any loss recognized on the sale, exchange or other disposition of the common units would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. A mark-to-market election would not apply to our common units owned by a U.S. Holder in any taxable year during which we are not a PFIC, but would remain in effect with respect to any subsequent taxable year for which we are a PFIC, unless our common units are no longer treated as "marketable stock" or the IRS consents to the revocation of the election.

Even if a U.S. Holder makes a "mark-to-market" election for one of our taxable years, if we were a PFIC for a prior taxable during which the U.S. Holder owned our common units and for which the U.S. Holder did not make a timely mark-to-market election, the U.S. Holder would also be subject to the more adverse rules described below under "Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election". Additionally, to the extent that any of our subsidiaries is a PFIC, a "mark-to-market" election with respect to our common units would not apply to the U.S. Holder's deemed ownership of the stock of such subsidiary.

Taxation of U.S. Holders Not Making a Timely QEF or Mark-to-Market Election

If we were to be treated as a PFIC for any taxable year, a U.S. Holder who does not make either a timely QEF election or a timely "mark-to-market" election for that year (i.e., the taxable year in which the U.S. Holder's holding period commences), whom we refer to as a "Non-Electing Holder," would be subject to special rules resulting in increased tax liability with respect to (1) any excess distribution (i.e. the portion of any distributions received by the Non-Electing Holder on our common units in a taxable year in excess of 125.0% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common units), and (2) any gain realized on the sale, exchange or other disposition of our common units. Under these special rules:

- the excess distribution and any gain would be allocated ratably over the Non-Electing Holder's aggregate holding period for the common units;
- the amount allocated to the current taxable year and any year prior to the year we were first treated as a PFIC with respect to the Non-Electing Holder would be taxed as ordinary income; and
- the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

If we were treated as a PFIC for any taxable year and a Non-Electing Holder who is an individual dies while owning our common units, such holder's successor generally would not receive a step-up in tax basis with respect to such common units. Additionally, to the extent that any of our subsidiaries is a PFIC, the foregoing consequences would apply to the U.S. Holder's deemed receipt of any excess distribution on, or gain deemed realized on the disposition of, the stock of such subsidiary deemed owned by the U.S. Holder.

In January 2022, the U.S. Department of Treasury issued proposed regulations concerning PFICs. If the proposed regulations are finalized, they may affect eligibility requirements to make a QEF election or a mark-to-market election.

Controlled Foreign Corporation

Although we believe that Navios Partners was not a CFC as of December 31, 2023, or at any time during 2023, tax rules enacted by the 2017 Tax Cuts and Jobs Act, including the imposition of so-called "downward attribution" for purposes of determining whether a non-U.S. corporation is a CFC, may result in Navios Partners being treated as a CFC for U.S. federal income tax purposes in the future, together with certain of its non-U.S. subsidiaries that are treated as a CFC Sub. Through downward attribution, U.S. subsidiaries of Navios Holdings are treated as constructive owners of these equity interests for purposes of determining whether we (and a CFC Sub) are a CFC. If, in the future, U.S. Holders (including U.S. subsidiaries of Navios Holdings, as discussed above) that each own 10% or more of our equity (by vote or value) would own in the aggregate more than 50% of our equity (by vote or value), in each case, directly, indirectly or constructively, we (and a CFC Sub) would become a CFC.

The U.S. federal income tax consequences of U.S. Holders who at all times own less than 10% of our equity, directly, indirectly, and constructively, should not be affected even if we (and a CFC Sub) become a CFC. However, if we (and a CFC Sub) become a CFC, any U.S. Holder who owns 10% or more of our equity (by vote or value), directly or indirectly, should be subject to U.S. federal income tax on a current basis on its pro rata share of our (and a CFC Sub's) so-called "subpart F" income, "global intangible low-taxed income" ("GILTI"), and any investment in earnings in U.S. property, in addition to being subject to U.S. federal income tax reporting requirements. Income from our time chartering activities could constitute subpart F income if it were derived from passive rental activities. But, Thompson Hine's opinion that the income we earn from our time chartering activities should not be treated as passive income is based principally on their conclusion that such income should constitute services income, rather than rental income (see U.S. Federal Income Taxation of U.S. Holders - PFIC Status and Significant Tax Consequences). Although we believe that the income we earn from our time chartering activities should not be treated as subpart F income, such U.S. Holder may be subject to U.S. federal income tax on such income under the GILTI rules.

If contrary, to our belief discussed above, the income we earn from our time chartering activities were treated as subpart F income, it is unclear whether such income would nonetheless be exempted from U.S. federal income tax for so long as we qualify for the Section 883 exemption (see Item 4.B. Business Overview - Taxation of the Partnership - The Section 883 Exemption). In this regard, the IRS has taken the position in Revenue Ruling 87-15 that the Section 883 exemption does not cause subpart F income to be exempted from U.S. federal income tax. Any U.S. Holder of Navios Partners that owns 10% or more (by vote or value), directly or indirectly, of the equity of Navios Partners should consult its own tax advisor regarding the U.S. federal tax consequences that may result from Navios Partners (and a CFC Sub) being treated as a CFC.

Medicare Tax

A U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will generally be subject to a 3.8% tax on the lesser of (i) the U.S. Holder's "net investment income" for a taxable year and (ii) the excess of the U.S. Holder's modified adjusted gross income for such taxable year over $200,000 ($250,000 in the case of joint filers). For these purposes, "net investment income" will generally include dividends paid with respect to our common units and net gain attributable to the disposition of our common units not held in connection with certain trades or businesses, but will be reduced by any deductions properly allocable to such income or net gain.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our common units (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is a "Non-U.S. Holder".

Distributions

Distributions we pay to a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax if the Non-U.S. Holder is not engaged in a U.S. trade or business. If the Non-U.S. Holder is engaged in a U.S. trade or business, our distributions will be subject to U.S. federal income tax to the extent they constitute income effectively connected with the Non-U.S. Holder's U.S. trade or business (and a corporate Non-U.S. Holder may also be subject to U.S. federal branch profits tax). However, distributions paid to a Non-U.S. Holder who is engaged in a trade or business may be exempt from taxation under an income tax treaty if the income arising from the distribution is not attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder.

Disposition of Units

In general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on any gain resulting from the disposition of our common units provided the Non-U.S. Holder is not engaged in a U.S. trade or business. A Non-U.S. Holder that is engaged in a U.S. trade or business will be subject to U.S. federal income tax in the event the gain from the disposition of units is effectively connected with the conduct of such U.S. trade or business (provided, in the case of a Non-U.S. Holder entitled to the benefits of an income tax treaty with the United States, such gain also is attributable to a U.S. permanent establishment). However, even if not engaged in a U.S. trade or business, individual Non-U.S. Holders may be subject to tax on gain resulting from the disposition of our common units if they are present in the United States for 183 days or more during the taxable year in which those units are disposed and meet certain other requirements.

Backup Withholding and Information Reporting

In general, payments to a non-corporate U.S. Holder of distributions or the proceeds of a disposition of common units may be subject to information reporting. These payments to a non-corporate U.S. Holder also may be subject to backup withholding (currently at a rate of 24%), if the non-corporate U.S. Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he has failed to report all interest or corporate distributions required to be reported on his U.S. federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

A U.S. Holder generally is required to certify its compliance with the backup withholding rules on IRS Form W-9.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.
Backup withholding is not an additional tax. Rather, a unitholder generally may obtain a credit for any amount withheld against his liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by filing a U.S. federal income tax return with the IRS.

Individual U.S. Holders (and to the extent specified in applicable U.S. Treasury Regulations, certain individual Non-U.S. Holders and certain U.S. Holders that are entities) that hold "specified foreign financial assets," including our common units, whose aggregate value exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year (or such higher amounts as prescribed by applicable U.S. Treasury Regulations) are required to file a report on IRS Form 8938 with information relating to the assets for each such taxable year. Specified foreign financial assets would include, among other things, our common units, unless such common units are held in an account maintained by a U.S. "financial institution" (as defined). Substantial penalties apply for any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, in the event an individual U.S. Holder (and to the extent specified in applicable U.S. Treasury Regulations, an individual Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders should consult their own tax advisors regarding their reporting obligations.

NON-UNITED STATES TAX CONSIDERATIONS

Marshall Islands Tax Consequences

The following discussion is based upon the opinion of Reeder & Simpson P.C., our counsel as to matters of the laws of the Republic of the Marshall Islands, and the current laws of the Republic of the Marshall Islands applicable to persons who do not reside in, maintain offices in or engage in business in the Republic of the Marshall Islands.

Because we and our subsidiaries do not and do not expect to conduct business or operations in the Republic of the Marshall Islands, under current Marshall Islands law you will not be subject to Marshall Islands taxation or withholding on distributions, including upon distribution treated as a return of capital, we make to you as a unitholder. In addition, you will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of common units, and you will not be required by the Republic of the Marshall Islands to file a tax return relating to your ownership of common units.

EACH UNITHOLDER IS URGED TO CONSULT HIS OWN TAX, LEGAL AND OTHER ADVISORS REGARDING THE CONSEQUENCES OF OWNERSHIP OF COMMON UNITS UNDER THE UNITHOLDER'S PARTICULAR CIRCUMSTANCES.

F. Dividends and paying agents

Not applicable.

G. Statements by experts

Not applicable.

H. Documents on display

We file reports and other information with the SEC. These materials, including this annual report and the accompanying exhibits, are available from the SEC's website http://www.sec.gov.

I. Subsidiary information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risks

Foreign Exchange Risk

Our functional and reporting currency is the U.S. dollar. We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar denominated. Transactions in currencies other than the U.S. dollar are translated at the exchange rate in effect at the date of each transaction.

Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated are recognized. Expenses incurred in foreign currencies against which the U.S. Dollar falls in value can increase such expenses, thereby decreasing our income or vice versa if the U.S. dollar increases in value. For example, as of December 31, 2023, the value of the U.S. dollar as compared to the Euro decreased by approximately 3.5% compared with the respective value as of December 31, 2022.

Interest Rate Risk

Interest rates have increased significantly as central banks in Europe, United States and other developed countries raise interest rates in an effort to reduce the inflation effect. The eventual implications of tighter monetary policy, and potentially higher long-term interest rates may drive a higher cost of capital for our business.

Bank borrowings under our credit facilities bear interest at a rate based on a premium over SOFR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the years ended December 31, 2023, 2022 and 2021, we paid interest on our outstanding debt at a weighted average interest rate of 7.2%, 5.3% and 4.1%, respectively. A 1% increase in SOFR would have increased our interest expense for the years ended December 31, 2023, 2022 and 2021 by $14.2 million, $12.6 million and $7.9 million, respectively.

Concentration of Credit Risk

Financial instruments, which potentially subject us to significant concentrations of credit risk, consist principally of trade accounts receivable. We closely monitor our exposure to customers for credit risk. We have policies in place to ensure that we trade with customers with an appropriate credit history.

For the years ended December 31, 2023 and 2022, no customer accounted for 10.0% or more of our total revenues. For the year ended December 31, 2021, Singapore Marine represented approximately 14.5% of our total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

If we lose a charter, we may be unable to re-deploy the related vessel on terms as favorable to us due to the long-term nature of most charters and the cyclical nature of the industry or we may be forced to charter the vessel on the spot market at then market rates which may be less favorable than the charter that has been terminated. If we are unable to re-deploy a vessel for which the charter has been terminated, we will not receive any revenues from that vessel, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition. If we lose a vessel, any replacement or newbuilding would not generate revenues during its construction acquisition period, and we may be unable to charter any replacement vessel on terms as favorable to us as those of the terminated charter.

Even if we successfully charter our vessels in the future, our charterers may go bankrupt or fail to perform their obligations under the charter agreements, they may delay payments or suspend payments altogether, they may terminate the charter agreements prior to the agreed-upon expiration date or they may attempt to renegotiate the terms of the charters. The permanent loss of a customer, time charter or vessel, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions in the event we are unable to replace such customer, time charter or vessel.

Inflation

Inflation has had a minimal impact on vessel operating expenses, drydocking expenses and general and administrative expenses. Our management does not consider inflation to be a significant risk to direct expenses in the current and foreseeable economic environment.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Unitholders and Use of Proceeds

None.

Item 15. Controls and Procedures

A. Disclosure Controls and Procedures

The management of Navios Partners, with the participation of the Chief Executive Officer and Chief Financial Officer, conducted an evaluation, pursuant to Rule 13a-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the effectiveness of our disclosure controls and procedures as of December 31, 2023. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective as of December 31, 2023.

Disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

B. Management's annual report on internal control over financial reporting

The management of Navios Partners is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act. Navios Partners' internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States ("GAAP").

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Navios Partners' management assessed the effectiveness of Navios Partners' internal control over financial reporting as of December 31, 2023. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on its assessment, management concluded that, as of December 31, 2023, Navios Partners' internal control over financial reporting was effective based on those criteria.

Navios Partners' independent registered public accounting firm has issued an attestation report on Navios Partners' internal control over financial reporting.

C. Attestation report of the registered public accounting firm

Navios Partners' independent registered public accounting firm has issued an audit report on Navios Partners' internal control over financial reporting. This report appears on Page F-4 of the consolidated financial statements.

D. Changes in internal control over financial reporting

There have been no changes in internal controls over financial reporting (identified in connection with management's evaluation of such internal control over financial reporting) that occurred during the year covered by this annual report that have materially affected, or are reasonably likely to materially affect, Navios Partners' internal controls over financial reporting.

Item 16A. Audit Committee Financial Expert

Navios Partners' Audit Committee consists of three independent directors, Vasilios Mouyis, Serafeim Kriempardis and Alexander Kalafatides. The Board of Directors has determined that Serafeim Kriempardis qualifies as "an audit committee financial expert" as defined in the instructions of Item 16A of Form 20-F. Mr. Kriempardis is independent under applicable NYSE and SEC standards.

Item 16B. Code of Ethics

Navios Partners has adopted a code of ethics applicable to officers, directors and employees that complies with applicable guidelines issued by the SEC.

The Navios Partners Code of Corporate Conduct and Ethics is available for review on Navios Partners' website at www.navios-mlp.com.

Item 16C. Principal Accountant Fees and Services

Audit Fees

Our principal Accountants for each of fiscal years 2023 and 2022 were Ernst & Young (Hellas) Certified Auditors Accountants S.A. The audit fees for each of the audit of the years ended December 31, 2023 and 2022 were $0.7 million and $0.6 million, respectively.

Audit-Related Fees

There were no audit-related fees in 2023 and 2022.

Tax Fees

The tax fees for each of the years ended December 31, 2023 and 2022 were $0.2 million and $0, respectively.

Other Fees

There were no other fees in 2023 and 2022.

Audit Committee

The Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of the independent auditors. As part of this responsibility, the Audit Committee pre-approves the audit and non-audit services performed by the independent auditors in order to assure that they do not impair the auditors' independence from Navios Partners. The Audit Committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors may be pre-approved.

The Audit Committee separately pre-approved all engagements and fees paid to our principal accountant in 2023.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Units by the Issuer and Affiliated Purchasers

In July 2022, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $100.0 million of the Company's common units. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Navios Partners' management based upon market conditions and financial and other considerations, including working capital and planned or anticipated growth opportunities. As of December 31, 2023, no repurchases of common units have been made. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in the Company's discretion and without notice. The Board of Directors will review the program periodically.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Pursuant to an exception for foreign private issuers, we are not required to comply with the corporate governance practices followed by U.S. companies under the NYSE listing standards. However, we have voluntarily adopted all of the NYSE required practices, except we do not have (i) a nominating/governance committee consisting of independent directors or (ii) a nominating/governance committee charter specifying the purpose and responsibilities of the nominating/governance committee. Instead, all nomination/governance decisions, other than those nominating decisions dictated by our Partnership Agreement, are currently made by a majority of our independent board members.

Item 16H. Mine Safety Disclosures

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Not applicable.

Item 16K. Cybersecurity

Risk management and strategy

The Company has a cybersecurity risk management program that includes:

i. Implementation of cybersecurity processes, policies, and governance frameworks.

ii. Investment in IT security including third party providers that assist in our cybersecurity needs.

iii. Training of the Company's employees to avoid and combat cybersecurity threats.

iv. Board and management oversight of cybersecurity risks and threats.

The Company uses, as a guide, recognized best practices and standards as set by the U.S. National Institute of Standards and Technology.

The Company has established policies and procedures for all key aspects of its cybersecurity program including policies and plans to combat threats and risks affecting its business. As part of the Company's cybersecurity strategy, it continues to expand its investments in IT security, including to identify and protect critical assets, strengthen, monitor and alert its information security management system and engage with cybersecurity experts.

The Company has engaged a third-party consultant to help integrate its information security management system to protect the Company's operations risk and vulnerability. Assessments are conducted to identify cybersecurity weaknesses and recommend enhancements. In addition, 24/7 cybersecurity services are provided including continuous monitoring, detecting and providing alerts for any potential threats and attacks, using the Company's security information and event management system.

The Company leverages several third-party tools and technologies as part of its efforts to enhance its cybersecurity functions. The Company performs annual disaster recovery tabletop exercises with its managed disaster recovery site provider to prepare for a cyberattack on the Company's IT infrastructure. As part of the Company's established cybersecurity governance framework, the Company also assesses potential cybersecurity threats related to the third-party providers and counterparties.

The Company has a robust training program for its employees that covers the Company's cybersecurity risk management program and other Company policies and practices to ensure compliance therewith and to promote best practices. The Company regularly provides cybersecurity awareness trainings and performs phishing campaigns to assess awareness and readiness.

Governance

The board of directors considers cybersecurity risk as part of its risk oversight function and oversees the Company's cybersecurity risk exposures and the steps taken by management to monitor and mitigate cybersecurity risks. The board of directors ensures allocation and prioritization of resources and overall strategic direction for cybersecurity and ensures alignment with the Company's overall strategy.

Cybersecurity Threats

For the year ended December 31, 2023 through the date of this annual report, there were no security incidents/breaches in 2023 leading to material risks from cybersecurity threats, that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations or financial condition. Please also see Item 3. Key Information—D. Risk Factors—"Security breaches and disruptions to our information technology infrastructure could interfere with our operations and expose us to liability which could have a material adverse effect on our business, financial condition, cash flows and results of operations."

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The financial information required by this Item together with the related report of Ernst & Young (Hellas) Certified Auditors Accountants S.A., Independent Registered Public Accounting Firm, thereon is filed as part of this annual report on Pages F-1 through F-73.

Item 19. Exhibits

1.1	Certificate of Limited Partnership of Navios Maritime Partners L.P.(1)
1.2	Fourth Amended and Restated Agreement of Limited Partnership of Navios Maritime Partners L.P.(2)
1.3	Articles of Incorporation of Olympos Maritime Ltd. (46)
1.4	Bylaws of Olympos Maritime Ltd. (46)
2.1	Description of the rights of each class of securities registered under Section 12 of the Exchange Act(45)
4.1	Omnibus Agreement, among Navios Maritime Holdings Inc., Navios GP L.L.C., Navios Maritime Operating L.L.C. and Navios Maritime Partners L.P.(1)
4.1.1	Amendment to Omnibus Agreement, dated as of June 29, 2009, relating to the Omnibus Agreement(3)

4.2	Acquisition Omnibus Agreement[4]
4.3	Navios Midstream Omnibus Agreement[5]
4.4	Navios Containers Omnibus Agreement[6]
4.5	Management Agreement with Navios ShipManagement Inc.[1]
4.5.1	Amendment to Management Agreement, dated October 29, 2009, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. relating to the Management Agreement[7]
4.5.2	Amendment No. 2 to Management Agreement, dated October 29, 2009, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. relating to the Management Agreement, dated October 21, 2011[8]
4.5.3	Amendment No. 3, dated October 30, 2013, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[9]
4.5.4	Amendment No. 4, dated August 29, 2014, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[10]
4.5.5	Amendment No. 5, dated February 10, 2015, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[11]
4.5.6	Amendment No. 6, dated May 4, 2015, to the Management Agreement, dated November 16, 2007, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[12]
4.5.7	Amendment No. 7 to Management Agreement dated February 4, 2016, between Navios Partners and Navios ShipManagement relating to the Management Agreement dated November 16, 2007[13]
4.5.8	Amendment No. 8, dated November 14, 2017, to the Management Agreement, dated October 21, 2011, between Navios Maritime Partners L.P. and Navios ShipManagement Inc.[14]
4.5.9	Amendment No. 9 dated August 28, 2019, to the Management Agreement, dated November 16, 2007 between Navios Maritime Partners L.P. and Navios ShipManagement Inc. [15]
4.5.10	Amendment No. 10, dated December 13, 2019, to the Management Agreement dated November 16, 2007, between Navios Maritime Partners L.P and Navios ShipManagement Inc.[16]
4.6	Management Agreement, dated June 7, 2017, between Navios Maritime Containers Inc. and Navios Shipmanagement Inc.[17]
4.6.1	Amendment No. 1 to Management Agreement, dated November 23, 2017, between Navios Maritime Containers Inc. and Navios Shipmanagement Inc.[17]
4.6.2	Amendment No. 2 to Management Agreement, dated April 23, 2018, between Navios Maritime Containers Inc. and Navios Shipmanagement Inc.[17]
4.6.3	Amendment No. 3 to Management Agreement, dated June 1, 2018, between Navios Maritime Containers Inc. and Navios Shipmanagement Inc.[17]
4.6.4	Amendment No. 4 to Management Agreement, dated August 28, 2019, between Navios Containers and Navios Shipmanagement Inc.[18]
4.7	Management Agreement dated May 28, 2010, between Navios Maritime Acquisition Corporation and Navios Ship Management Inc.[19]
4.7.1	Amendment to the Management Agreement dated May 4, 2012, between Navios Maritime Acquisition Corporation and Navios Tankers Manager Inc.[20]

4.7.2	Amendment to the Management Agreement dated May 14, 2014, between Navios Maritime Acquisition Corporation and Navios Tankers Management Inc. (21)
4.7.3	Fourth Amendment to the Management Agreement, dated May 19, 2016, between Navios Maritime Acquisition Corporation and Navios Tankers Management Inc. (22)
4.7.4	Fifth Amendment to the Management Agreement, dated May 3, 2018, between Navios Maritime Acquisition Corporation and Navios Tankers Management Inc. (23)
4.7.5	Sixth Amendment to the Management Agreement, dated as of August 29, 2019, by and between Navios Maritime Acquisition Corporation and Navios Tankers Management Inc. (24)
4.7.6	Seventh Amendment to the Management Agreement, dated as of December 13, 2019, by and between Navios Maritime Acquisition Corporation and Navios Tankers Management Inc. (25)
4.7.7	Eighth Amendment to the Management Agreement, dated as of June 26, 2020, by and between Navios Maritime Acquisition Corporation and Navios Tankers Management Inc. (25)
4.8	Administrative Services Agreement with Navios Shipmanagement Inc. (1)
4.8.1	Amendment No. 1 to Administrative Services Agreement with Navios Maritime Holdings Inc., dated October 21, 2011 (8)
4.8.2	Amendment No. 2 to Administrative Services Agreement, dated November 14, 2017, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. (14)
4.8.3	Amendment No. 3 to Administrative Services Agreement, dated August 28, 2019, between Navios Maritime Partners L.P. and Navios ShipManagement Inc. (15)
4.9	Continuous Offering Program Sales Agreement, dated November 18, 2016 (26)
4.9.1	Amendment No. 1 to Continuous Offering Program Sales Agreement, dated June 2, 2017, with S. Goldman Capital LLC (27)
4.9.2	Amendment No. 2 to Continuous Offering Program Sales Agreement, dated August 3, 2020, with S. Goldman Capital LLC (28)
4.10	Continuous Offering Program Sales Agreement, dated April 9, 2021, between Navios Maritime Partners L.P. and S. Goldman Capital LLC. (29)
4.11	Continuous Offering Program Sales Agreement, dated May 21, 2021, between Navios Maritime Partners L.P. and S. Goldman Capital LLC. (30)
4.12	Credit Agreement for $405.0 million term loan, dated as of March 14, 2017, among Navios Maritime Partners L.P. and Navios Partners Finance (US) Inc., JP Morgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, S. Goldman Advisors LLC, DVB Capital Markets LLC, ABN AMRO Capital USA LLC, Credit Agricole Corporate Investment Bank, Clarkson Platou Securities, Inc. and the several Lenders from time to time party thereto (31)

4.13	Deed of Accession, Amendment, Release and Restatement relating to a Facility Agreement, for a term loan facility, dated December 07, 2021, by and among Navios Maritime Acquisition Corporation as released borrower, Navios Maritime Partners L.P. as new borrower, the banks and financial institutions listed therein as lenders, and Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee.(46)
4.14	Deed of Accession, Amendment, Release and Restatement relating to a Facility Agreement, for a term loan facility, dated December 13, 2021, by and among Zakynthos Shipping Corporation, Delos Shipping Corporation, Kerkyra Shipping Corporation, Alkmene Shipping Corporation, Persephone Shipping Corporation and Chernava Marine Corp., Navios Maritime Acquisition Corporation as released guarantor, Navios Maritime Partners L.P. as new guarantor, the banks and financial institutions listed therein as lenders, and BNP Paribas and Crédit Agricole Corporate and Investment Bank as Lenders and Mandated Lead Arrangers and BNP Paribas as agent and security trustee.(46)
4.15	Facility Agreement dated March 28, 2022, by and among Esmeralda Shipping Corporation, Proteus Shiptrade SA and Triangle Shipping Corporation as borrowers and ABN AMRO BANK N.V. as lender, agent and security trustee.(46)
4.16	Bareboat Charter and Memorandum of Agreement, dated December 12, 2018, among Seven Shipping S.A. and Shichifuki Gumi Co., Ltd., as buyers and bareboat owners, and Perigiali Navigation Limited, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Beaufiks(40)
4.17	Bareboat Charter and Memorandum of Agreement, dated December 10, 2018, between Sansha Shipping S.A., as buyer and bareboat owner, and Fantastiks Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Fantastiks(40)
4.18	Bareboat Charter and Memorandum of Agreement, dated April 5, 2019, among Hinode Kaiun Co., Ltd., Mansei Kaiun Co., Ltd., and Sunmarine Maritime S.A., as buyers and bareboat owners, and Casual Shipholding Co., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sol(40)
4.19	Bareboat Charter and Memorandum of Agreement, dated June 7, 2019, among Tachibana Kaiun Co., Ltd. and Sakae Shipping S.A., as buyers and bareboat owners, and Sagittarius Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sagittarius(40)
4.20	Bareboat Charter and Memorandum of Agreement, dated July 2, 2019, between Takanawa Line Inc., as buyers and bareboat owners and Finian Navigation Co., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Ace(40)
4.21	Bareboat Charter and Memorandum of Agreement (form of), dated June 18, 2021, between Mi-Das Line S.A., being a subsidiary of Itochu Corporation, and Lavender Shipping Corporation, being a subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Ray.(46)
4.22	Bareboat Charter and Memorandum of Agreement (form of), dated June 18, 2021, between Mi-Das Line S.A., being a subsidiary of Itochu Corporation, and Nostos Ship Management Corp., being a subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Bonavis.(46)
4.23	Bareboat Charter and Memorandum of Agreement, dated August 16, 2021, between Batanagar Shipping Corporation and Surf Maritime Co., being a wholly owned subsidiary of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Pollux.(38)
4.24	Bareboat Charters and Memoranda of Agreement by and between Ocean Dazzle Shipping Limited, wholly owned subsidiary of Minsheng Financial Leasing Co. Ltd., and Jasmer Shipholding Ltd, Inastros Maritime Corp., Jaspero Shiptrade S.A., Thetida Marine Co., Evian Shiptrade Ltd and Anthimar Marine Inc., dated May 25, 2018, providing for the sale and leaseback of the APL Atlanta, APL Denver, APL Los Angeles, APL Oakland, Navios Amaranth and Navios Amarillo, respectively.(17)

4.25	Bareboat Charters and Memoranda of Agreement (Form of) by and between Xiang L44 Hk International Ship Lease Co., Limited, Xiang L45 Hk International Ship Lease Co., Limited, Xiang L46 Hk International Ship Lease Co., Limited and Xiang L47 Hk International Ship Lease Co., Limited wholly owned subsidiaries of Bank of Communications Financial Leasing Company and Vythos Marine Corp., Nefeli Navigation S.A., Fairy Shipping Corporation and Limestone Shipping Corporation dated March 11, 2020, providing for the sale and leaseback of the Navios Constellation, the Navios Unison, the Ym Utmost and the Navios Unite.[41]
4.26	Bareboat charters and Memoranda of Agreement, among Sea 66 Leasing Co. Limited, Sea 67 Leasing Co. Limited, Sea 68 Leasing Co. Limited and Sea 69 Leasing Co. Limited wholly owned subsidiaries of China Merchants Bank Limited, dated March 31, 2018, providing for the sale and leaseback of the NAVE ATRIA, NAVE AQUILA, NAVE BELLATRIX and NAVE ORION respectively[42]
4.27	Bareboat Charter and Memoranda of Agreement, dated August 9, 2019, between World Star Shipping S.A. and Samothrace Shipping Corporation, providing for the sale and leaseback of the Nave Pulsar[43]
4.28	Sample Bareboat Charter and Memorandum of Agreement, dated June 12, 2020, for the sale and leaseback transaction among Great Rhodes Limited, Great Skyros Limited, Great Crete Limited and Great Rhea Limited, being subsidiaries of AVIC International Leasing Co., Ltd., and Rhodes Shipping Corporation, Skyros Shipping Corporation, Crete Shipping Corporation and Rhea Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Cassiopeia, Nave Sextans, Nave Cetus and Perseus N, respectively.[25]
4.29	Agreement and Plan of Merger, dated December 31, 2020, by and among Navios Maritime Partners L.P., NMM Merger Sub LLC, Navios Maritime Containers L.P. and Navios Maritime Containers GP LLC[44]
4.30	Agreement and Plan of Merger, dated August 25, 2021, by and among Navios Maritime Acquisition Corporation, Navios Maritime Partners L.P. and Navios Acquisition Merger Sub, Inc.[38]
4.31	Facility Agreement dated May 9, 2022, by and among Cronus Shipping Corporation, Bole Shipping Corporation, Skopelos Shipping Corporation, Ios Shipping Corporation and Antipaxos Shipping Corporation, as borrowers, and Hellenic Bank Public Company Limited, as lender, arranger, agent, account bank and security trustee.[47]
4.32	Facility Agreement dated June 29, 2022, by and among Customized Development S.A., Kohylia Shipmanagement S.A., Floral Marine LTD. and Ianthe Maritime S.A. as borrowers, and Skandinaviska Enskilda Banken AB[48]
4.33	Amendment No. 11 dated July 25, 2022, to the Management Agreement dated November 16, 2007, between Navios Maritime Partners L.P. and Navios Shipmanagement Inc.[48]
4.34	Facility Agreement dated September 5, 2022, by and among Navios Maritime Partners L.P. and Hamburg Commercial Bank AG as Agent, Mandated Lead Arranger and Security Trustee*[48]
4.35	Facility Agreement dated September 30, 2022, by and among Melpomene Shipping Corporation and Urania Shipping Corporation, as borrowers, and KFW IPEX-Bank GMBH, as lender, mandated lead arranger, facility agent and security agent.[49]
4.36	Form of Bareboat Charter and Memorandum of Agreement, dated October 27, 2022, for the sale and leaseback transaction between Xiang H131 International Ship Lease Co., Limited Xiang H129 International Ship Lease Co., Limited Xiang H130 International Ship Lease Co., Limited, Xiang H104 International Ship Lease Co., Limited, Xiang H119 International Ship Lease Co., Limited, Xiang H132 International Ship Lease Co., Limited, Jiahai International Ship Lease Co., Limited, Jialong International Ship Lease Co., Limited,, Xiang L33 HK International Ship Lease Co., Limited, Xiang T51 HK International Ship Lease Co., Limited, Longshi International Ship Lease Co., Limited, Longli International Ship Lease Co., Limited, being subsidiaries Bank of Communications Financial Leasing Company Limited, and Velour Management Corp., Morven Chartering Inc., Isolde Shipping Inc., Rodman Maritime Corp., Silvanus Marine Company, Enplo Shipping Limited, Olympia II Navigation Limited, Pingel Navigation Limited, Ebba Navigation Limited, Clan Navigation Limited, Evian Shiptrade Ltd, Anthimar Marine Inc. being wholly owned subsidiaries of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Vermilion, Matson Oahu, Navios Indigo, Navios Spring, Navios Summer, Navios Verde, Navios Domino, Navios Delight, Navios Destiny, Navios Devotion, Matson Lanai, Navios Amarillo, respectively.[49]

4.37	Bareboat Charter and Memorandum of Agreement (form of), dated December 5, 2022, between Wealth Line Inc., as buyers and bareboat owners, and Sagittarius Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sagittarius.(50)
4.38	Bareboat Charter and Memorandum of Agreement (form of), dated February 14, 2023, between Glory Ocean Shipping S.A. and Temm Maritime Co., Ltd., as buyers and bareboat owners, and Koufonisi Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Felix.(50)
4.39	Supplemental Agreement, dated September 6, 2022, to the 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.(50)
4.40	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.(50)
4.41	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.(50)
4.42	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 the Navios Phoenix.(50)
4.43	Bareboat Charter and Memorandum of Agreement, dated December 13, 2021, between Rumer Holding Ltd. and Juno Maritime Corp., providing for the sale and leaseback of Navios Antares.(50)
4.44	Bareboat Carter and Memorandum of Agreement, dated November 27, 2019, among Anchor Trans Inc., and Vernazza Shiptrade Inc, being a wholly-owned subsidiary of Navios Maritime Holdings Inc., providing for the sale and leaseback of Dream Canary.(50)
4.45	Bareboat Charter and Memorandum of Agreement, dated February 13, 2020, between Lua Line S.A. and Okino Kaiun Co. and Roselite Shipping Corporation, being a wholly-owned subsidiary of Navios Maritime Holdings Inc., providing for the sale and leaseback of Navios Corali.(50)
4.46	Bareboat Charter and Memorandum of Agreement (form of), dated February 21, 2022, between Kotobuki Kaiun Co., Ltd., Yutoku Kinkai Kisen Co., Ltd. And Kotobuki Shipping Corporation, S.A., as buyers and bareboat owners, and Kleinmar NV and White Narcissus Marine S.A., as seller and bareboat charterer, providing for the sale and leaseback of the Navios Asteriks.(50)
4.47	Bareboat Charter and Memorandum of Agreement, dated July 4, 2022, between Bright Carrier S.A, as buyers and bareboat owners, and Anafi Shipping Corporation, as seller and bareboat charterer, providing for the sale and leaseback of the Navios Sky.(50)
4.48	Term Loan Facility Agreement dated February 16, 2023, by and among Terpsichore Shipping Corporation, Erato Shipmanagement Corporation, Calliope Shipping Corporation, and Euterpe Shipping Corporation, as borrowers, DNB Bank ASA, as agent, and the Banks and Financial Institutions listed therein.(51)
4.49	Term Loan Facility Agreement dated April 19, 2023, by and among Folegandros Shipping Corporation, Serifos Shipping Corporation, Sifnos Shipping Corporation, Syros Shipping Corporation and Skiathos Shipping Corporation, as borrowers, Skandinaviska Enskilda Banken AB, as agent, bank, and arranger, and the Banks and Financial Institutions listed therein.(51)
4.50	Loan Agreement dated April 25, 2023, between Karpathos Shipping Corporation, and Patmos Shipping Corporation, as borrowers, KFW IPEX-Bank GMBH, as facilitly and security agent, mandated lead arranger, and K-Sure agent, and the Banks and Financial Institutions listed therein.(51)
4.51	Loan Agreement dated May 2, 2023, between Antipsara Shipping Corporation, Kithira Shipping Corporation, and Thasos Shipping Corporation, as borrowers, Eurobank S.A., as agent, arranger, and security agent, Eurobank Cyprus Ltd., as account bank, and the Banks and Financial Institutions listed therein.(51)
4.52	Bareboat Charter and Memorandum of Agreement (Form of) dated May 19, 2023, by and between Xiang H145 International Ship Lease Co., Limited, Xiang H142 International Ship Lease Co., Limited, Xiang H143 International Ship Lease Co., Limited, Xiang H144 International Ship Lease Co., Limited, wholly owned subsidiaries of Bank of Communications Financial Leasing Company as buyers and bareboat owners and Polymnia Shipping Corporation, Kleio Shipping Corporation, Astrovalos Shipping Corporation and Gavdos Shipping Corporation as seller and bareboat charterers, providing for the sale and leaseback of Nave Cosmos, Nave Photon, Zim Seagull and Zim Albatross.(51)

4.53	Addendum No.1 to Navios Galaxy II Bareboat Charter, dated June 15, 2023 by and between Thalassa Marine S.A. as the charterer, and Abo Shoten, Ltd. and ASL Ocean Inc. as the owners.[52]
4.54	Addendum No.1 to MV Navios Uranus Bareboat Charter, dated June 15, 2023 by and between Atlas Marine S.A., as the charterer, and Abo Shoten, Ltd. and ASL Ocean Inc. as the owners.[52]
4.55	Addendum No.1 to MV Navios Phoenix Bareboat Charter, dated June 19, 2023 by and between Pharos Navigation S.A., as the charterer and ASL Navigation S.A. as the owner.[52]
4.56	Addendum No.1 to MV Navios Felicity I Bareboat Charter, dated June 19, 2023 by and between Rider Shipmanagement Inc. as the charterer and Forever Shipping S.A. as the owner.[52]
4.57	Facility Agreement dated June 20, 2023, among Iraklia Shipping Corporation, Antikithira Shipping Corporation, Limnos Shipping Corporation, Thera Shipping Corporation, Fandango Shipping Corporation, Flavescent Shipping Corporation, Sunstone Shipping Corporation, Coasters Venture Corporation, Velvet Shipping Corporation, and Bertyl Ventures Co. as borrowers and National Bank of Greece S.A.[52]
4.58	Loan Agreement dated June 21, 2023 among Zakynthos Shipping Corporation, Persephone Shipping Corporation, Kerkyra Shipping Corporation, Chernava Marine Corp., Ducale Marine Inc., Kleimar NV, Oral Shipping Corporation, Iris Shipping Corporation, Highbird Management Inc., as borrowers, BNP Paribas as Mandated Lead Arranger, Agent, and Security Trustee, and the banks and financial institutions listed therein.[52]
4.59	Addendum No.2 to Nave Pulsar Bareboat Charter, dated June 27, 2023 by and between Samothrace Shipping Corporation as the charterer and World Star Shipping, S.A., as the owner.[52]
4.60	Addendum No.1 to Navios Sky Bareboat Charter, dated June 27, 2023 by and between Anafi Shipping Corporation as the charterers and Bright Carrier S.A. as the owner.[52]
4.61	Addendum No.1 to Navios Antares Bareboat Charter, dated June 27, 2023 by and between Rumer Holding Corp. as the charterer and Juno Marine Corp as the owner.[52]
4.62	Addendum No.1 to MV Navios Alegria Bareboat Charter, dated June 28, 2023 by and between Vatselo Enterprises Corp. as the charterer and Sealift Maritime S.A. as the owner.[52]
4.63	Addendum No.2 to MV Navios Astra Bareboat Charter, dated June 28, 2023 by and between Goddess Shiptrade Inc. as the charterer and Bright Carrier S.A. as the owner.[52]
4.64	Addendum No.1 to MV Navios Canary Bareboat Charter, dated June 28, 2023 by and between Vernazza Shiptrade Inc. as the charterer and Anchor Trans Inc. as the owner.[52]
4.65	Addendum No.1 to MV Navios Corali Bareboat Charter, dated June 28, 2023 by and between Roselite Shipping Corporation as the charterer, and Lua Line S.A. and Okino Kaiun Co., Ltd. as the owners.[52]
4.66	Loan Agreement dated June 28, 2023, among Emery Shipping Corporation, Rondine Management Corp., Mandora Shipping Ltd., Solange Shipping Ltd., Chilali Corp., Pandora Marine Inc., Micaela Shipping Corporation as borrowers, Credit Agricole Corporate and Investment Bank as Mandated Lead Arranger, Agent, and Security Trustee, and the banks and financial institutions listed therein.[52]
4.67	Addendum No.2 to MV Navios Felix Bareboat Charter, dated June 29, 2023 by and between Koufonisi Shipping Corporation as the charterer, and Glory Ocean Shipping S.A. and TEMM Maritime Co., Ltd. as the owners.[52]
4.68	Addendum No.1 to MV Navios Sagittarius Bareboat Charter, dated July 3, 2023 by and between Sagittarius Shipping Corporation as the charterer and Wealth Line Inc. as the owner.[52]
4.69	Addendum No.1 to MV Navios Magellan Bareboat Charter, dated July 14, 2023 by and between Talia Shiptrade S.A. as the charterer and Seven Shipping S.A. as the owner.[52]
4.70	Addendum No.1 to MV Navios Meridian Bareboat Charter, dated August 4, 2023 by and between Morganite Shipping Corporation as the charterer and Million Comets S.A. as the owner.[52]

4.71	Sample Amendment and Restatement Deed, dated September 6, 2023, in relation to the Bareboat Charters and Memoranda of Agreement, dated March 31, 2018, by and among Sea 66 Leasing Co. Limited, Sea 67 Leasing Co. Limited, Sea 68 Leasing Co. Limited and Sea 69 Leasing Co. Limited wholly owned subsidiaries of China Merchants Bank Limited, providing for the sale and leaseback of the NAVE ATRIA, NAVE AQUILA, NAVE BELLATRIX and NAVE ORION respectively.(53)
4.72	Bareboat Charter and Memorandum of Agreement dated October 19, 2023, by and between Mitsui & Co., Ltd. as Shipbroker, Atokos Shipping Corporation as seller bareboat charterers and Blue Wave Line Inc. as owners, providing for the sale and leaseback of Navios Horizon I*.
4.73	Term Loan Facility Agreement dated January 3, 2024, by and among Oinousses Shipping Corporation, Psara Shipping Corporation, and Tinos Shipping Corporation as borrowers, Nordea Bank ABP, Filial I Norge, as lead arranger, agent, bank, and bookrunner, and the Banks and Financial Institutions listed therein.*
4.74	Bareboat Charter and Memorandum of Agreement dated February 22, 2024, by and between Itochu Corporation as Shipbroker, Aramis Navigation Inc. as seller bareboat charterers and Seven Shipping S.A. of Panama as owners, providing for the sale and leaseback of MV Navios Azimuth 9589839.*
4.75	Sample Bareboat Charter and Memorandum of Agreement, dated November 28, 2023, for the sale and leaseback transaction among HAIJIN No.11 (TIANJIN) LEASING CO., LIMITED , HAIJIN No.8 (TIANJIN) LEASING CO., LIMITED, HAIJIN No. 9 (TIANJIN) LEASING CO., LIMITED and HAIJIN No.10 (TIANJIN) LEASING CO., LIMITED being subsidiaries of ICBC Financial Leasing Co., Ltd and Nisyros Shipping Corporation, Makri Shipping Corporation, Meganisi Shipping Corporation, Despotiko Shipping Corporation, Ithaki Shipping Corporation, Thalia Shipping Corporation, Muses Shipping Corporation, Tarak Shipping Corporation all being subsidiaries of Navios Maritime Partners L.P.*
8.1	List of Subsidiaries of Navios Maritime Partners L.P.*
12.1	Section 302 Certification of Chief Executive Officer*
12.2	Section 302 Certification of Chief Financial Officer*
13.1	Section 906 Certification of Chief Executive Officer and Chief Financial Officer (furnished herewith)*
15.1	Consent of Ernst & Young (Hellas) Certified Auditors Accountants S.A.*
97.1	Navios Maritime Partners L.P. Compensation Recovery Policy*
101	The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2023, formatted in inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets at December 31, 2023 and 2022; (ii) Consolidated Statements of Operations for each of the years ended December 31, 2023, 2022 and 2021; (iii) Consolidated Statements of Cash Flows for each of the years ended December 31, 2023, 2022 and 2021; (iv) Consolidated Statements of Changes in Partners' Capital for each of the years ended December 31, 2023, 2022 and 2021; and (v) the Notes to the Consolidated Financial Statements.
104	Cover page interactive data file (formatted as inline XBRL and contained in Exhibit 101)

(1) Previously filed as an exhibit to the Company's Registration Statement on Form F-1, as amended (File No. 333-146972) as filed with the SEC and hereby incorporated by reference to the Annual Report.

(2) Previously filed as an exhibit to a the Company's Annual Report on Form 20-F for the year ended December 31, 2018 filed on April 9, 2019 and hereby incorporated by reference.

(3) Previously filed as an exhibit to a Report on Form 6-K filed on July 14, 2009 and hereby incorporated by reference.

(4) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2012 filed on March 15, 2013 and hereby incorporated by reference.

(5) Previously filed as an exhibit to a Report on Form F-1/A for Navios Maritime Midstream Partners L.P. filed on October 27, 2014 and hereby incorporated by reference.

(6) Previously filed as an exhibit to a Report on Form 6-K filed on August 1, 2017 and hereby incorporated by reference.

(7) Previously filed as an exhibit to a Report on Form 6-K filed on October 30, 2009 and hereby incorporated by reference.

(8) Previously filed as an exhibit to a Report on Form 6-K filed on October 24, 2011 and hereby incorporated by reference.

(9) Previously filed as an exhibit to a Report on Form 6-K filed on November 7, 2013 and hereby incorporated by reference.

(10) Previously filed as an exhibit to a Report on Form 6-K filed on October 30, 2014 and hereby incorporated by reference.

(11) Previously filed as an exhibit to a Report on Form 6-K filed on February 17, 2015 and hereby incorporated by reference.

(12) Previously filed as an exhibit to a Report on Form 6-K filed on May 5, 2015 and hereby incorporated by reference.

(13) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2015 filed on March 29, 2016 and hereby incorporated by reference.

(14) Previously filed as an exhibit to a Report on Form 6-K filed on February 5, 2018 and hereby incorporated by reference.

(15) Previously filed as an exhibit to a Report on Form 6-K filed on September 11, 2019 and hereby incorporated by reference.

(16) Previously filed as an exhibit to the Company’s Annual Report on Form 20-F for the year ended December 31, 2019 filed on April 1, 2020 and hereby incorporated by reference.

(17) Previously filed as an exhibit to the Navios Maritime Containers L.P.’s Registration Statement on Form F-1, as amended (File No. 333-225677), as filed with the SEC and hereby incorporated by reference to the Annual Report.

(18) Previously filed as an exhibit to Navios Maritime Containers L.P.’s report on Form 6-K/A filed with the SEC on September 19, 2019 and hereby incorporated by reference to the Annual Report.

(19) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on June 4, 2010, and hereby incorporated by reference

(20) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on May 15, 2012, and hereby incorporated by reference

(21) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on May 22, 2014, and hereby incorporated by reference

(22) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on June 9, 2016 and hereby incorporated by reference

(23) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on August 23, 2018 and hereby incorporated by reference

(24) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on September 11, 2019, and hereby incorporated by reference

(25) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on August 6, 2020 and hereby incorporated by reference

(26) Previously filed as an exhibit to a Report on Form 6-K filed on November 23, 2016 and hereby incorporated by reference.

(27) Previously filed as an exhibit to a Report on Form 6-K filed on June 14, 2017 and hereby incorporated by reference.

(28) Previously filed as an exhibit to a Report on Form 6-K filed on August 5, 2020 and hereby incorporated by reference.

(29) Previously filed as an exhibit to a Report on Form 6-K filed on April 9, 2021 and hereby incorporated by reference.

(30) Previously filed as an exhibit to a Report on Form 6-K filed on May 21, 2021 and hereby incorporated by reference.

(31) Previously filed as an exhibit to a Report on Form 6-K filed on May 25, 2017 and hereby incorporated by reference.

(32) - (37) [Reserved]

(38) Previously filed as an exhibit to a Report on Form 6-K filed on August 26, 2021 and hereby incorporated by reference.

(39) [Reserved]

(40) Previously filed as an exhibit to a Report on Form 6-K filed on November 29, 2019 and hereby incorporated by reference.

(41) Previously filed as an exhibit to Navios Containers' Annual Report on Form 20-F for the year ended December 31, 2019 filed on March 18, 2020 and hereby incorporated by reference.

(42) Previously filed as an exhibit to a Report on Form 20-F filed by Navios Acquisition on April 5, 2018, and hereby incorporated by reference

(43) Previously filed as an exhibit to a Report on Form 6-K filed by Navios Acquisition on November 29, 2019, and hereby incorporated by reference)

(44) Previously filed as an exhibit to a Report on Form 6-K filed on January 4, 2021 and hereby incorporated by reference.

(45) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2020 filed on March 31, 2021 and hereby incorporated by reference.

(46) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2021 filed on April 12, 2022 and hereby incorporated by reference.

(47) Previously filed as an exhibit to a Report on Form 6-K filed on May 23, 2022 and hereby incorporated by reference.

(48) Previously filed as an exhibit to a Report on Form 6-K filed on September 13, 2022 and hereby incorporated by reference.

(49) Previously filed as an exhibit to a Report on Form 6-K filed on December 7, 2022 and hereby incorporated by reference.

(50) Previously filed as an exhibit to the Company's Annual Report on Form 20-F for the year ended December 31, 2022 filed on March 24, 2023 and hereby incorporated by reference.

(51) Previously filed as an exhibit to a Report on Form 6-K filed on June 1, 2023 and hereby incorporated by reference.

(52) Previously filed as an exhibit to a Report on Form 6-K filed on August 31, 2023 and hereby incorporated by reference.

(53) Previously filed as an exhibit to a Report on Form 6-K filed on November 22, 2023 and hereby incorporated by reference.

* Filed herewith

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Report of Independent Registered Public Accounting Firm

To the Partners and the Board of Directors of Navios Maritime Partners L.P.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Navios Maritime Partners L.P. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 3, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Recoverability assessment of vessels

Description of the matter	As of December 31, 2023, the carrying value of the Company's vessels, plus any unamortized portion of deferred drydock and special survey costs and intangible assets of favorable lease terms was $3,941 million. As discussed in Notes 2(m) and 7 to the consolidated financial statements, the Company evaluates each vessel for impairment whenever events or changes in circumstances indicate that the carrying value of a vessel, including any unamortized portion of deferred drydock and special survey costs and intangible assets of favorable lease terms (collectively the "asset group") may not be fully recoverable in accordance with the guidance in ASC 360 – Property, Plant and Equipment ("ASC 360"). If indicators of impairment exist, management compares the future undiscounted net operating cash flows of the asset group expected to be generated throughout the remaining useful life of each vessel to the carrying value of the asset group. Where an asset group's carrying value exceeds the undiscounted net operating cash flows, management will recognize an impairment loss equal to the excess of an asset group's carrying value over the fair value of the vessel. Auditing management's recoverability assessment was complex given the judgement and estimation uncertainty involved in determining certain assumptions in the undiscounted net operating cash flows, specifically the charter rates for non-contracted revenue days. These charter rates are subjective as they involve the development and use of assumptions about the shipping markets through the end of the useful lives of the vessels. These assumptions are forward looking, and subject to the inherent unpredictability of future global economic and market conditions.
How we addressed the matter in our audit	We obtained an understanding of the Company's impairment process, evaluated the design, and tested the operating effectiveness of the controls over management's process to test recoverability of the asset groups, including determination of charter rates for non-contracted revenue days. We analyzed management's recoverability assessment by comparing the methodology and model used to evaluate impairment of each asset group against the accounting guidance in ASC 360. To test management's undiscounted net operating cash flow forecasts, our procedures included, among others, comparing the asset group's forecasted charter rates for non-contracted revenue days with external market and industry data. In addition, we performed sensitivity analyses to assess the impact of changes to charter rates for non-contracted revenue days in the determination of the undiscounted net operating cash flows. We assessed the Company's disclosures in Notes 2(m) and 7.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2021.

Athens, Greece
April 3, 2024

Report of Independent Registered Public Accounting Firm

To the Partners and the Board of Directors of Navios Maritime Partners L.P.

Opinion on Internal Control over Financial Reporting

We have audited Navios Maritime Partners L.P.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Navios Maritime Partners L.P. (the "Company") maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the accompanying consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations, changes in partners' capital and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated April 3, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 3, 2024

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. Dollars except unit data)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	4	$ 240,378	$ 157,814
Restricted cash	4	8,797	17,284
Accounts receivable, net	5	42,237	75,030
Other investments	2	47,000	—
Prepaid expenses and other current assets	6	61,336	60,296
Total current assets		**399,748**	**310,424**
Vessels, net	7	3,734,671	3,777,329
Deposits for vessels acquisitions	2,15,17	434,134	218,663
Other long-term assets	11,15,20	62,111	46,122
Deferred dry dock and special survey costs, net		145,932	99,999
Amounts due from related parties	17	39,570	41,403
Intangible assets	2, 8	60,431	78,716
Operating lease assets	20	270,969	323,048
Total non-current assets		**4,747,818**	**4,585,280**
Total assets		**$ 5,147,566**	**$ 4,895,704**
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable	9	$ 25,488	$ 27,117
Accrued expenses	10	23,608	16,049
Deferred revenue	2	63,306	38,875
Operating lease liabilities, current portion	20	30,136	39,853
Amounts due to related parties	17	32,026	104,751
Current portion of financial liabilities, net	11	138,696	216,955
Current portion of long-term debt, net	11	146,340	174,140
Total current liabilities		**459,600**	**617,740**
Operating lease liabilities, net	20	240,602	271,262
Unfavorable lease terms	8	27,984	47,906
Long-term financial liabilities, net	11	824,646	864,661
Long-term debt, net	11	751,781	689,691
Deferred revenue	2	63,915	50,138
Other long-term liabilities		8,586	11,343
Total non-current liabilities		**1,917,514**	**1,935,001**
Total liabilities		**$ 2,377,114**	**$ 2,552,741**
Commitments and contingencies	15	—	—
Partners' capital:			
Common Unitholders (30,184,388 common units issued and outstanding at each of December 31, 2023 and December 31, 2022)	1,13	2,724,436	2,305,494
General Partner (622,296 general partner units issued and outstanding at each of December 31, 2023 and December 31, 2022)	1,13	46,016	37,469
Total partners' capital		**2,770,452**	**2,342,963**
Total liabilities and partners' capital		**$ 5,147,566**	**$ 4,895,704**

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

	Notes	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Time charter and voyage revenues	2,16,20	$ 1,306,889	$ 1,210,528	$ 713,175
Time charter and voyage expenses	2,20	(160,231)	(122,630)	(36,142)
Direct vessel expenses	17	(69,449)	(56,754)	(29,259)
Vessel operating expenses (entirely through related parties transactions)	17	(331,653)	(312,022)	(191,449)
General and administrative expenses	10,17	(80,559)	(67,180)	(41,461)
Depreciation and amortization of intangible assets	7,8	(217,823)	(201,820)	(112,817)
Amortization of unfavorable lease terms	8	19,922	74,963	108,538
Gain on sale of vessels, net	7,20	50,248	149,352	33,625
Interest expense and finance cost, net	2,11	(133,642)	(83,091)	(42,762)
Interest income	2	10,699	856	859
Other income	19	53,682	1,065	289
Other expense	17	(14,438)	(14,020)	(9,738)
Equity in net earnings of affiliated companies	3	—	—	80,839
Transaction costs	3	—	—	(10,439)
Bargain gain	3	—	—	48,015
Net income		**$ 433,645**	**$ 579,247**	**$ 511,273**
Net loss attributable to the noncontrolling interest		—	—	4,913
Net income attributable to Navios Partners' unitholders		**$ 433,645**	**$ 579,247**	**$ 516,186**

Net income attributable to Navios Partners' unitholders	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Common Unitholders	$ 424,974	$ 567,662	$ 505,862
General Partner	8,671	11,585	10,324
Net income attributable to Navios Partners' unitholders	**$ 433,645**	**$ 579,247**	**$ 516,186**

Earnings attributable to Navios Partners' unitholders per unit:	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Earnings attributable to Navios Partners' unitholders per common unit, basic	$ 14.08	$ 18.82	$ 22.36
Earnings attributable to Navios Partners' unitholders per common unit, diluted	$ 14.08	$ 18.82	$ 22.32

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. Dollars)

	Notes	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
OPERATING ACTIVITIES:				
Net income		$ 433,645	$ 579,247	$ 511,273
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	7,8	217,823	201,820	112,817
Amortization of unfavorable lease terms	8	(19,922)	(74,963)	(108,538)
Non-cash amortization of deferred revenue and straight-line		54,396	51,048	460
Amortization of operating lease assets/liabilities	20	8,918	3,912	(401)
Amortization and write-off of deferred finance costs and discount	2	7,188	5,349	3,741
Amortization of deferred dry dock and special survey costs	2	43,321	28,917	16,143
Gain on sale of vessels, net	7, 20	(50,248)	(149,352)	(33,625)
Bargain gain	3	—	—	(48,015)
Equity in net earnings of affiliated companies	3	—	—	(80,839)
Stock-based compensation	13	4	154	523
Changes in operating assets and liabilities:				
Decrease/ (increase) in accounts receivable	5	32,793	(46,559)	344
Decrease/ (increase) in prepaid expenses and other current assets	6	7,609	(20,952)	9,770
Decrease/ (increase) in amounts due from related parties	17	1,156	(6,158)	(53,420)
(Decrease)/ increase in accounts payable	9	(1,629)	3,401	1,260
Increase/ (decrease) in accrued expenses	10	7,559	(1,719)	(7,736)
Decrease in amounts due to related parties	17	(72,725)	(13,429)	(14,541)
(Decrease)/ increase in deferred revenue		(8,284)	11,492	17,743
Payments for dry dock and special survey costs		(101,287)	(65,868)	(49,786)
Net cash provided by operating activities		**560,317**	**506,340**	**277,173**
INVESTING ACTIVITIES:				
Net cash proceeds from sale of vessels	2,7	259,004	284,476	121,080
Acquisition of/ additions to vessels	2,7	(182,898)	(433,777)	(217,032)
Deposits for acquisition/ option to acquire vessel	2,15	(282,121)	(176,802)	(61,848)
Cash acquired from acquisitions	2,3	—	9,862	42,676
Repayments of notes receivable		—	—	8,872
Other investments	2	(47,000)	—	—
Net cash used in investing activities		**(253,015)**	**(316,241)**	**(106,252)**
FINANCING ACTIVITIES:				
Cash distributions paid	2,18	(6,160)	(6,163)	(4,615)
Net proceeds from issuance of general partnership units	13	—	—	9,960
Net proceeds from issuance of common units	13	—	—	198,495
Proceeds from long-term debt and financial liabilities	11	609,723	479,735	735,276
Repayment of long-term debt and financial liabilities	11	(822,743)	(651,875)	(959,154)
Payments of deferred finance costs		(14,045)	(6,144)	(12,165)
Net cash used in financing activities		**(233,225)**	**(184,447)**	**(32,203)**
Increase in cash, cash equivalents and restricted cash		**74,077**	**5,652**	**138,718**
Cash, cash equivalents and restricted cash, beginning of period		**175,098**	**169,446**	**30,728**
Cash, cash equivalents and restricted cash, end of period		**$ 249,175**	**$ 175,098**	**$ 169,446**

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. Dollars)

	Notes	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Supplemental disclosures of cash flow information				
Cash interest paid		$ 144,388	$ 80,626	$ 50,382
Non cash financing activities				
Stock-based compensation	13	$ 4	$ 154	$ 523
Long-term debt and financial liabilities	3,11	$ 202,373	$ 756,673	$ *
Non cash investing activities				
Deposits for acquisition/ option to acquire vessel	2,15	$ 20,188	$ (6,860)	$ —
Acquisition of vessels	3,7	$ (249,875)	$ (782,334)	$ (5,766)*

*For non cash items related to business combinations refer to Note 3 – Acquisition of Navios Containers and Navios Acquisition.

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. Dollars except unit data)

	Limited Partners					
	General Partner		Common Unitholders			
	Units	Amount	Units	Amount	Noncontrolling Interest	Total Partners' Capital
Balance, December 31, 2020	**237,822**	**$ 2,817**	**11,345,187**	**$ 652,013**	**$ —**	**$ 654,830**
Cash distribution paid ($0.20 per unit—see Note 18)	—	(93)	—	(4,522)	—	(4,615)
Proceeds from public offering and issuance of units, net of offering costs (see Note 13)	149,597	4,156	7,330,222	198,495	—	202,651
Units issued for the acquisition of Navios Containers, net of expenses (see Note 3)	165,989	3,911	8,133,452	191,624	—	195,535
Stock-based compensation (see Note 13)	—	—	—	523	—	523
Deemed contribution (see Note 3)	—	3,000	—	147,000	—	150,000
Fair value of noncontrolling interest (see Note 3)	—	—	—	—	57,635	57,635
Net income	—	10,324	—	505,862	(4,913)	511,273
Units issued for the acquisition of Navios Acquisition (see Note 3)	69,147	1,893	3,388,226	52,722	(52,722)	1,893
Balance, December 31, 2021	**622,555**	**$ 26,008**	**30,197,087**	**$ 1,743,717**	**$ —**	**$ 1,769,725**
Cash distribution paid ($0.20 per unit—see Note 18)	—	(124)	—	(6,039)	—	(6,163)
Units cancelled/ forfeited (see Note 13)	(259)	—	(12,699)	—	—	—
Stock-based compensation (see Note 13)	—	—	—	154	—	154
Net income	—	11,585	—	567,662	—	579,247
Balance December 31, 2022	**622,296**	**$ 37,469**	**30,184,388**	**$ 2,305,494**	**$ —**	**$ 2,342,963**
Cash distribution paid ($0.20 per unit—see Note 18)	—	(124)	—	(6,036)	—	(6,160)
Stock-based compensation (see Note 13)	—	—	—	4	—	4
Net income	—	8,671	—	424,974	—	433,645
Balance December 31, 2023	**622,296**	**$ 46,016**	**30,184,388**	**$ 2,724,436**	**$ —**	**$ 2,770,452**

NOTE 1 – DESCRIPTION OF BUSINESS

Navios Maritime Partners L.P. ("Navios Partners" or the "Company"), is an international owner and operator of dry cargo and tanker vessels, formed on August 7, 2007 under the laws of the Republic of the Marshall Islands. The Company's general partner is Olympos Maritime Ltd. (the "General Partner") (see Note 17 – Transactions with related parties and affiliates).

Navios Partners is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including crude oil, refined petroleum, chemicals, iron ore, coal, grain, fertilizer and also containers, chartering its vessels under short, medium and longer-term charters. The operations of Navios Partners are managed by Navios Shipmanagement Inc., (the "Manager") and Navios Tankers Management Inc. ("Tankers Manager" and together with the Manager, the "Managers") which are entities affiliated with the Company's Chairwoman and Chief Executive Officer (see Note 17 – Transactions with related parties and affiliates).

As of December 31, 2023, there were 30,184,388 outstanding common units and 622,296 general partnership units. As of December 31, 2023, Navios Maritime Holdings Inc. ("Navios Holdings") owned an approximately 10.3% ownership interest in Navios Partners and the General Partner held an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units. The 3,183,199 common units of the Company previously held by Navios Holdings were transferred to N Shipmanagement Acquisition Corp., an entity affiliated with the Company's Chairwoman and Chief Executive Officer, Angeliki Frangou, on January 9, 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation: The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Based on internal forecasts and projections that take into account reasonably possible changes in Company's trading performance, management believes that the Company has adequate financial resources, including cash from sale of vessels, (see Note 7 – Vessels, net and Note 21 – Subsequent events) to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least 12 months from the date of issuance of these consolidated financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Following Russia's invasion of Ukraine in February 2022 the United States, the European Union, the United Kingdom and other countries have announced sanctions against Russia, and may impose wider sanctions and take other actions in the future. To date, no apparent consequences have been identified on the Company's business. It should be noted that since the Company employs Ukrainian and Russian seafarers, it may face problems in relation to their employment, repatriation, salary payments and be subject to claims in this regard. In addition, the increased attacks in the Red Sea caused ships to avoid the use of the Red Sea and transits of the Suez Canal. Notwithstanding the foregoing, it is possible that these tensions and activities might eventually have an adverse impact on the Company's business, financial condition, results of operations and cash flows. Interest rates have increased significantly as central banks in Europe, United States and other developed countries raise interest rates. The eventual implications of tighter monetary policy and potentially higher long-term interest rates may drive a higher cost of capital for the Company.

(b) Principles of consolidation: The accompanying consolidated financial statements include Navios Partners' wholly owned subsidiaries incorporated under the laws of the Republic of Marshall Islands, Liberia, Malta, Delaware, Cayman Islands, Hong Kong, British Virgin Islands, Luxemburg and Belgium from their dates of incorporation or from the date of acquiring control or, for chartered-in vessels, from the dates charter-in agreements were in effect. All significant inter-company balances and transactions have been eliminated in Navios Partners' consolidated financial statements.

Navios Partners also consolidates entities that are determined to be variable interest entities ("VIE") as defined in the accounting guidance, if it determines that it is the primary beneficiary. A VIE is defined as a legal entity where either (i) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity's residual risks and rewards, (ii) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Subsidiaries: Subsidiaries are those entities in which Navios Partners has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies of the entity.

The accompanying consolidated financial statements include the following entities:

Company name	Vessel name	Country of incorporation	2023	2022	2021
Libra Shipping Enterprises Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Alegria Shipping Corporation[35]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Felicity Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Gemini Shipping Corporation[14]	Former Vessel-Owning Company	Marshall Is.	1/01–2/07	1/01–12/31	1/01–12/31
Galaxy Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Palermo Shipping S.A.[14]	Former Vessel-Owning Company	Marshall Is.	1/01–2/07	1/01–12/31	1/01–12/31
Fantastiks Shipping Corporation[12]	Navios Fantastiks	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Sagittarius Shipping Corporation[12]	Navios Sagittarius	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Hyperion Enterprises Inc. [54]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Surf Maritime Co.[12]	Navios Pollux	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Customized Development S.A.	Navios Fulvia	Liberia	1/01–12/31	1/01–12/31	1/01–12/31
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Orbiter Shipping Corp.[57]	Navios Orbiter	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Golem Navigation Limited	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Perigiali Navigation Limited[53]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Finian Navigation Co.[12]	Navios Ace	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Ammos Shipping Corp.[40]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Casual Shipholding Co.[12]	Navios Sol	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Avery Shipping Company	Navios Symphony	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Coasters Ventures Ltd.	Navios Christine B	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Ianthe Maritime S.A.	Navios Aster	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Fairy Shipping Corporation [5]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Limestone Shipping Corporation [28]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Dune Shipping Corp.[13]	Former Vessel-Owning Company	Marshall Is.	1/01–2/21	1/01–12/31	1/01–12/31
Citrine Shipping Corporation[13]	Former Vessel-Owning Company	Marshall Is.	1/01–2/21	1/01–12/31	1/01–12/31
Cavalli Navigation Inc.	Former Vessel-Owning Company	Liberia	1/01–12/31	1/01–12/31	1/01–12/31
Seymour Trading Limited[2]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Goldie Services Company[34]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Andromeda Shiptrade Limited	Navios Apollon I	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Esmeralda Shipping Corporation	Navios Sphera	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Triangle Shipping Corporation	Navios Mars	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Oceanus Shipping Corporation[19]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Cronus Shipping Corporation	Protostar N	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Leto Shipping Corporation[17]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31

Dionysus Shipping Corporation[4]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Prometheus Shipping Corporation[18]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Camelia Shipping Inc.[31]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Azalea Shipping Inc.[1]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Amaryllis Shipping Inc.[38]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Wenge Shipping Corporation[20]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Sunstone Shipping Corporation	Copernicus N	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Fandango Shipping Corporation	Unity N	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Flavescent Shipping Corporation	Odysseus N	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Emery Shipping Corporation	Navios Gem	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Rondine Management Corp.	Navios Victory	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31

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Prosperity Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Aldebaran Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
JTC Shipping and Trading Ltd.(11)	Holding Company	Malta	1/01–12/31	1/01–12/31	1/01–12/31
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Navios Maritime Operating LLC.	N/A	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01–12/31	1/01–12/31	1/01–12/31
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Solange Shipping Ltd.(16)	Navios Avior	Marshall Is.	1/01–12/31	1/01–12/31	3/30–12/31
Mandora Shipping Ltd.(16)	Navios Centaurus	Marshall Is.	1/01–12/31	1/01–12/31	3/30–12/31
Olympia II Navigation Limited(12)	Navios Domino	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Pingel Navigation Limited(12)	Navios Delight	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Ebba Navigation Limited(12)	Navios Destiny	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Clan Navigation Limited(12)	Navios Devotion	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Sui An Navigation Limited(23)	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Bertyl Ventures Co.	Navios Azure	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Silvanus Marine Company(12)	Navios Summer	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Anthimar Marine Inc.(12)	Navios Amarillo	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Enplo Shipping Limited(12)	Navios Verde	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Morven Chartering Inc.(12)	Navios Verano (ex. Matson Oahu)	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Rodman Maritime Corp.(12)	Navios Spring	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Isolde Shipping Inc.(12)	Navios Indigo	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Velour Management Corp.(12)	Navios Vermilion	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Evian Shiptrade Ltd.(12)	Matson Lanai	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Theros Ventures Limited	Navios Lapis	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Legato Shipholding Inc.	Navios Tempo	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Inastros Maritime Corp.	Navios Chrysalis	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Zoner Shiptrade S.A.	Navios Dorado	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Jasmer Shipholding Ltd.	Navios Nerine	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Thetida Marine Co.	Navios Magnolia	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Jaspero Shiptrade S.A.	Navios Jasmine	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Peran Maritime Inc.	Zim Baltimore	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Nefeli Navigation S.A.(12)	Navios Unison	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Crayon Shipping Ltd	Navios Miami	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31

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Chernava Marine Corp.	Navios Bahamas (ex. Bahamas)	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Proteus Shiptrade S.A.	Zim Carmel	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Vythos Marine Corp.[12]	Navios Constellation	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Navios Maritime Containers Sub L.P.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Navios Partners Containers Finance Inc.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Boheme Navigation Company	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Navios Partners Containers Inc.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Iliada Shipping S.A.	Operating Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Vinetree Marine Company	Operating Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Afros Maritime Inc.	Operating Company	Marshall Is.	1/01–12/31	1/01–12/31	3/31–12/31
Cavos Navigation Co.	Navios Libra	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Perivoia Shipmanagement Co.[10]	Navios Amitie	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Pleione Management Limited[10]	Navios Star	Marshall Is.	1/01–12/31	1/01–12/31	1/01–12/31
Bato Marine Corp.[32]	Navios Armonia	Marshall Is.	1/01–12/31	1/01–12/31	3/05–12/31
Agron Navigation Company[21]	Navios Azalea	Marshall Is.	1/01–12/31	1/01–12/31	3/05–12/31
Teuta Maritime S.A.[58]	Navios Altair	Marshall Is.	1/01–12/31	1/01–12/31	3/05–12/31
Ambracia Navigation Company[12], [29]	Navios Primavera	Marshall Is.	1/01–12/31	1/01–12/31	3/05–12/31
Artala Shipping Co.[55]	Navios Sakura	Marshall Is.	1/01–12/31	1/01–12/31	3/05–12/31
Migen Shipmanagement Ltd.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	3/05–12/31
Bole Shipping Corporation[24]	Spectrum N	Marshall Is.	1/01–12/31	1/01–12/31	4/28–12/31
Brandeis Shipping Corporation[24]	Ete N	Marshall Is.	1/01–12/31	1/01–12/31	5/10–12/31
Buff Shipping Corporation[24]	Fleur N	Marshall Is.	1/01–12/31	1/01–12/31	5/10–12/31
Morganite Shipping Corporation[12], [27]	Navios Meridian	Marshall Is.	1/01–12/31	1/01–12/31	6/01–12/31
Balder Maritime Ltd.[26]	Navios Koyo	Marshall Is.	1/01–12/31	1/01–12/31	6/04–12/31
Melpomene Shipping Corporation[50]	Sparrow (ex. Zim Sparrow)	Marshall Is.	1/01–12/31	1/01–12/31	6/23–12/31
Urania Shipping Corporation[25]	Zim Eagle	Marshall Is.	1/01–12/31	1/01–12/31	6/23–12/31
Terpsichore Shipping Corporation[8]	TBN I	Marshall Is.	1/01–12/31	1/01–12/31	6/23–12/31
Erato Shipmanagement Corporation[6]	TBN II	Marshall Is.	1/01–12/31	1/01–12/31	6/23–12/31
Lavender Shipping Corporation[12], [7]	Navios Ray	Marshall Is.	1/01–12/31	1/01–12/31	6/30–12/31
Nostos Shipmanagement Corp.[12], [7]	Navios Bonavis	Marshall Is.	1/01–12/31	1/01–12/31	6/30–12/31
Navios Maritime Acquisition Corporation	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Navios Acquisition Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Navios Acquisition Finance (US) Inc.	Co-Issuer of Ship Mortgage Notes	Delaware	1/01–12/31	1/01–12/31	8/25–12/31

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Letil Navigation Ltd.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Navios Maritime Midstream Partners Finance (US) Inc.	Sub-Holding Company	Delaware	1/01–12/31	1/01–12/31	8/25–12/31
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Amorgos Shipping Corporation[44]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Andros Shipping Corporation [43]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Antikithira Shipping Corporation	Nave Equator	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Antiparos Shipping Corporation[12]	Nave Atria	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Antipaxos Shipping Corporation[39]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Antipsara Shipping Corporation	Nave Velocity	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Crete Shipping Corporation	Nave Cetus	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Delos Shipping Corporation [45]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Folegandros Shipping Corporation	Nave Andromeda	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Ikaria Shipping Corporation[12]	Nave Aquila	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Ios Shipping Corporation	Nave Cielo	Cayman Islands	1/01–12/31	1/01–12/31	8/25–12/31
Iraklia Shipping Corporation	Bougainville	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Kimolos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Kithira Shipping Corporation	Nave Orbit	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Kos Shipping Corporation[12]	Nave Bellatrix	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Lefkada Shipping Corporation	Nave Buena Suerte	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Leros Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Mytilene Shipping Corporation[12]	Nave Orion	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Oinousses Shipping Corporation	Nave Jupiter	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Psara Shipping Corporation	Nave Luminosity	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Rhodes Shipping Corporation	Nave Cassiopeia	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Samos Shipping Corporation	Nave Synergy	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Samothrace Shipping Corporation[12]	Nave Pulsar	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Serifos Shipping Corporation	Nave Estella	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Sifnos Shipping Corporation	Nave Titan	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Skiathos Shipping Corporation	Nave Capella	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Skopelos Shipping Corporation	Nave Ariadne	Cayman Islands	1/01–12/31	1/01–12/31	8/25–12/31
Skyros Shipping Corporation	Nave Sextans	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Syros Shipping Corporation	Nave Alderamin	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Thera Shipping Corporation	Nave Atropos	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Tilos Shipping Corporation	Nave Spherical	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Tinos Shipping Corporation	Nave Rigel	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Zakynthos Shipping Corporation	Nave Quasar	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Cyrus Investments Corp.	Baghdad	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Olivia Enterprises Corp.	Erbil	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Limnos Shipping Corporation	Nave Pyxis	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Thasos Shipping Corporation	Nave Equinox	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Agistri Shipping Limited	Operating Subsidiary	Malta	1/01–12/31	1/01–12/31	8/25–12/31
Paxos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Donoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Schinousa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Alonnisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Makronisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Loyalty Limited	Former Vessel-Owning Company	Hong Kong	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Navigator Limited	Former Vessel-Owning Company	Hong Kong	1/01–12/31	1/01–12/31	8/25–12/31
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Dream Limited	Former Vessel-Owning Company	Hong Kong	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Kannika Limited	Former Vessel-Owning Company	Hong Kong	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Kieran Limited	Nave Universe	British Virgin Islands	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Ocean Limited	Former Vessel-Owning Company	Hong Kong	1/01–12/31	1/01–12/31	8/25–12/31
Shinyo Saowalak Limited	Nave Constellation	British Virgin Islands	1/01–12/31	1/01–12/31	8/25–12/31
Sikinos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Kerkyra Shipping Corporation	Nave Galactic	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Doxa International Corp.	Nave Electron	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Alkmene Shipping Corporation[38]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Dione Shipping Corporation[46]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Persephone Shipping Corporation	Hector N	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Rhea Shipping Corporation[36]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Tzia Shipping Corporation [30]	Nave Celeste	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Boysenberry Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Cadmium Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Celadon Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Cerulean Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	1/01–12/31	8/25–12/31
Kleio Shipping Corporation[6]	TBN III	Marshall Is.	1/01–12/31	1/01–12/31	8/12–12/31
Polymnia Shipping Corporation[6]	TBN IV	Marshall Is.	1/01–12/31	1/01–12/31	8/12–12/31
Goddess Shiptrade Inc.[41]	Navios Astra	Marshall Is.	1/01–12/31	1/01–12/31	8/02–12/31
Aramis Navigation Inc.[3]	Navios Azimuth	Marshall Is.	1/01–12/31	1/01–12/31	7/09–12/31
Thalia Shipping Corporation[6]	TBN VII	Marshall Is.	1/01–12/31	1/01–12/31	11/17-12/31
Muses Shipping Corporation[6]	TBN VIII	Marshall Is.	1/01–12/31	1/01–12/31	11/17-12/31
Euterpe Shipping Corporation[8]	TBN VI	Marshall Is.	1/01–12/31	1/01–12/31	11/17-12/31
Calliope Shipping Corporation[8]	TBN V	Marshall Is.	1/01–12/31	1/01–12/31	11/17-12/31
Karpathos Shipping Corporation[6]	TBN XV	Marshall Is.	1/01–12/31	6/22–12/31	—
Patmos Shipping Corporation[49]	TBN XVI	Marshall Is.	1/01–12/31	6/22–12/31	—
Tarak Shipping Corporation[6]	TBN X	Marshall Is.	1/01–12/31	4/26–12/31	—
Astrovalos Shipping Corporation[8]	TBN IX	Marshall Is.	1/01–12/31	4/26–12/31	—
Ithaki Shipping Corporation[6]	TBN XII	Marshall Is.	1/01–12/31	4/26–12/31	—
Gavdos Shipping Corporation[6]	TBN XI	Marshall Is.	1/01–12/31	4/26–12/31	—
Galera Management Company[56]	Navios Amethyst	Marshall Is.	1/01–12/31	6/24-12/31	—
Vatselo Enterprises Corp.[9], [12]	Navios Alegria	Marshall Is.	1/01–12/31	6/24-12/31	—
Thalassa Marine S.A.	Navios Galaxy II	Marshall Is.	1/01–12/31	7/29-12/31	—
Anafi Shipping Corporation[12]	Navios Sky	Marshall Is.	1/01–12/31	9/08-12/31	—
Asteroid Shipping S.A.	Navios Herakles I	Marshall Is.	1/01–12/31	7/29-12/31	—
Bulkinvest S.A.	Operating Company	Luxembourg	1/01–12/31	9/08-12/31	—
Cloud Atlas Marine S.A.	Navios Uranus	Marshall Is.	1/01–12/31	7/29-12/31	—
Corsair Shipping Ltd. [33]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	9/08-12/31	—
Ducale Marine Inc.	Navios Etoile	Marshall Is.	1/01–12/31	9/08-12/31	—
Faith Marine Ltd	Navios Altamira	Marshall Is.	1/01–12/31	9/08-12/31	—
Kleimar N.V.[37]	Operating Company/ Vessel Owning Company/Management Company	Belgium	1/01–12/31	9/08-12/31	—
Iris Shipping Corporation	N Amalthia	Marshall Is.	1/01–12/31	9/08-12/31	—
Moonstone Shipping Corporation [42]	Former Vessel-Owning Company	Marshall Is.	1/01–12/31	9/08-12/31	—
NAV Holdings Limited	Sub-Holding Company	Malta	1/01–12/31	9/08-12/31	—
Navios International Inc.	Operating Company	Marshall Is.	1/01–12/31	7/29-12/31	—
Veja Navigation Company	Sub-Holding Company	Marshall Is.	1/01–12/31	9/08-12/31	—
Vernazza Shiptrade Inc. [12]	Navios Canary	Marshall Is.	1/01–12/31	9/08-12/31	—
White Narcissus Marine S.A. [12], [37]	Navios Asteriks	Marshall Is.	1/01–12/31	9/08-12/31	—
Talia Shiptrade S.A.	Navios Magellan II	Marshall Is.	1/01–12/31	7/29-12/31	—
Shikhar Ventures S.A. [12]	Navios Stellar	Liberia	1/01–12/31	9/08-12/31	—
Opal Shipping Corporation	Rainbow N	Marshall Is.	1/01–	9/08-12/31	—

			12/31		
Pharos Navigation S.A. [12]	Navios Phoenix	Marshall Is.	1/01–12/31	9/08-12/31	—
Pueblo Holdings Ltd. [12]	Navios Lumen	Marshall Is.	1/01–12/31	9/08-12/31	—
Red Rose Shipping Corp.	Navios Bonheur	Marshall Is.	1/01–12/31	9/08-12/31	—
Rider Shipmanagement Inc.	Navios Felicity I	Marshall Is.	1/01–12/31	7/29-12/31	—
Roselite Shipping Corporation [12]	Navios Corali	Marshall Is.	1/01–12/31	9/08-12/31	—
Rumer Holding Ltd. [12]	Navios Antares	Marshall Is.	1/01–12/31	9/08-12/31	—
Jasmine Shipping Corporation	N Bonanza	Marshall Is.	1/01–12/31	9/08-12/31	—
Highbird Management Inc.	Navios Celestial	Marshall Is.	1/01–12/31	9/08-12/31	—
Kastelorizo Shipping Corporation[49]	TBN XIII	Marshall Is.	1/01–12/31	10/19–12/31	—
Elafonisos Shipping Corporation[49]	TBN XIV	Marshall Is.	1/01-12/31	10/19–12/31	—
Koufonisi Shipping Corporation [12], [48]	Navios Felix	Marshall Is.	1/01–12/31	11/11–12/31	—
Ziggy Shipping Limited [51]	TBN XVII	Marshall Is.	1/03-12/31	—	—
Gatsby Maritime Company [22]	TBN XVIII	Marshall Is.	1/03-12/31	—	—
Atokos Shipping Corporation [12], [15]	Navios Horizon I	Marshall Is.	7/18-12/31	—	—
Kastos Shipping Corporation[52]	TBN XXVI	Marshall Is.	5/24-12/31	—	—
Ereikousa Shipping Corporation[22]	TBN XXV	Marshall Is.	5/24-12/31	—	—
Othonoi Shipping Corporation[22]	TBN XXIII	Marshall Is.	7/18-12/31	—	—
Mathraki Shipping Corporation[22]	TBN XXIV	Marshall Is.	7/18-12/31	—	—
Chalki Shipping Corporation[47]	TBN XX	Marshall Is.	5/31-12/31	—	—
Pserimos Shipping Corporation[52]	TBN XIX	Marshall Is.	5/31-12/31	—	—
Polyaigos Shipping Corporation[47]	TBN XXI	Marshall Is.	7/04-12/31	—	—
Trikeri Shipping Corporation[47]	TBN XXII	Marshall Is.	7/04-12/31	—	—
Makri Shipping Corporation	Operating Company	Marshall Is.	9/05-12/31	—	—
Meganisi Shipping Corporation	Operating Company	Marshall Is.	9/05-12/31	—	—
Despotiko Shipping Corporation	Operating Company	Marshall Is.	9/05-12/31	—	—
Nisyros Shipping Corporation	Operating Company	Marshall Is.	9/05-12/31	—	—

(1) The vessel was sold on August 13, 2021 (see Note 7 – Vessels, net).

(2) The vessel was sold on October 29, 2021 (see Note 7 – Vessels, net).

(3) The vessel was acquired on July 9, 2021 (see Note 7 – Vessels, net).

(4) The vessel was sold on August 16, 2021 (see Note 7 – Vessels, net).

(5) The vessel was sold on September 12, 2022 (see Note 7 – Vessels, net).

(6) Expected to be delivered by the second half of 2024.

(7) The vessels were acquired on June 30, 2021 (see Note 7 – Vessels, net).

(8) Expected to be delivered by the first half of 2024.

(9) The vessel was acquired on December 14, 2022 (see Note 7 – Vessels, net).

(10) The vessels were delivered on May 28, 2021 and June 10, 2021 (see Note 20 – Leases).

(11) Not a vessel-owning subsidiary and only holds right to charter-in contracts.

(12) Vessels under the sale and leaseback transaction (see Note 11 – Borrowings).

(13) The company was dissolved on February 21, 2023.

(14) The company was dissolved on February 7, 2023.

(15) The vessel was acquired on October 16, 2023 (see Note 7 – Vessels, net).

(16) The vessels were acquired on March 30, 2021 (see Note 7 – Vessels, net).

(17) The vessel was sold on January 13, 2021 (see Note 7 – Vessels, net).

(18) The vessel was sold on January 28, 2021 (see Note 7 – Vessels, net).

(19) The vessel was sold on February 10, 2021 (see Note 7 – Vessels, net).

(20) The vessel was sold on March 25, 2021 (see Note 7 – Vessels, net).

(21) The vessel was acquired on November 17, 2022 (see Note 7 – Vessels, net).

(22) Expected to be delivered by the first half of 2026.

(23) The vessel was sold on July 31, 2021 (see Note 7 – Vessels, net).

(24) The vessels were acquired on May 10, 2021 (see Note 7 – Vessels, net).

(25) The vessel was delivered on January 25, 2024 (see Note 21 – Subsequent events).

(26) The vessel was acquired on June 4, 2021 (see Note 7 – Vessels, net).

(27) The vessel was acquired on February 5, 2023 (see Note 7 – Vessels, net).

(28) The vessel was sold on September 21, 2022 (see Note 7 – Vessels, net).

(29) The vessel was acquired on July 27, 2022 (see Note 7 – Vessels, net).

(30) The vessel was delivered on July 5, 2022 (see Note 20 – Leases).

(31) The vessel was sold on November 17, 2022 (see Note 7 – Vessels, net).

(32) The vessel was acquired on September 21, 2022 (see Note 7 – Vessels, net).

(33) The vessel was sold on October 14, 2022 (see Note 7 – Vessels, net).

(34) The vessel was sold on October 25, 2022 (see Note 7 – Vessels, net).

(35) The vessel was sold on November 14, 2022 (see Note 7 – Vessels, net).

(36) The vessel was sold on December 23, 2022 (see Note 7 – Vessels, net).

(37) The vessel is owned 50% by White Narcissus Marine S.A. and 50% by Kleimar N.V.

(38) The vessel was sold on January 26, 2023 (see Note 7 – Vessels, net).

(39) The vessel was sold on January 17, 2023 (see Note 7 – Vessels, net).

(40)The vessel was sold on February 7, 2023 (see Note 7 – Vessels, net).

(41)The vessel was acquired on September 13, 2022 (see Note 7 – Vessels, net).

(42)The vessel was sold on February 3, 2023 (see Note 7 – Vessels, net).

(43)The vessel was sold on January 24, 2023 (see Note 7 – Vessels, net).

(44)The vessel was sold on January 9, 2023 (see Note 7 – Vessels, net).

(45)The vessel was sold on March 3, 2023 (see Note 7 – Vessels, net).

(46)The vessel was sold on July 7, 2023 (see Note 7 – Vessels, net).

(47)Expected to be delivered by the first half of 2027.

(48)The vessel was acquired on March 6, 2023 (see Note 7 – Vessels, net).

(49)Expected to be delivered by the first half of 2025.

(50)The vessel was delivered on November 9, 2023 (see Note 7 – Vessels, net).

(51)Expected to be delivered by the second half of 2025.

(52)Expected to be delivered by the second half of 2026.

(53)The vessel was sold on October 12, 2023 (see Note 7 – Vessels, net).

(54)The vessel was sold on December 18, 2023 (see Note 7 – Vessels, net).

(55)The vessel was delivered on April 27, 2023 (see Note 7 – Vessels, net).

(56)The vessel was delivered on June 21, 2023 (see Note 7 – Vessels, net).

(57)The vessel was sold on March 4, 2024 (see Note 21 – Subsequent events).

(58)The vessel was delivered on March 29, 2023 (see Note 7 – Vessels, net).

During the fourth quarter of 2023, the Company completed the sale of the inactive entities (former vessel-owning entities) of Aphrodite Shipping Corporation, Zaffre Shipping Corporation, Anthos Shipping Inc. and Wave Shipping Corp.. The four entities were included in the consolidated financial statements of 2021, 2022 and until the fourth quarter of 2023 (see Note 17 – Transactions with related parties and affiliates).

Investments in Affiliates: Affiliates are entities over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but it does not exercise control. Investments in these entities are accounted for under the equity method of accounting. Under this method, the Company records an investment in the stock of an affiliate at cost, and adjusts the carrying amount for its share of the earnings or losses of the affiliate subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received from an affiliate reduce the carrying amount of the investment. The Company recognizes gains and losses in earnings for the issuance of shares by its affiliates, provided that the issuance of such shares qualifies as a sale of such shares. When the Company's share of losses in an affiliate equals or exceeds its interest in the affiliate, the Company does not recognize further losses, unless the Company has incurred obligations or made payments on behalf of the affiliate.

Affiliates included in the financial statements accounted for under the equity method: In the consolidated financial statements of Navios Partners, Navios Containers (as defined herein) is included as affiliate and is accounted for under the equity method. Following the completion of the NMCI Merger (as defined herein), as of March 31, 2021, Navios Containers (as defined herein) was acquired by Navios Partners and ownership was 100% (see Note 17 – Transactions with related parties and affiliates and Note 3 – Acquisition of Navios Containers and Navios Acquisition).

(c) Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to expected future cash flows from long-lived assets to support impairment tests. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

(d) Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

***(e) Restricted Cash*:** Restricted cash consists of amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Partners' credit facilities and financial liabilities.

(f) Other investments: Other investments consist of time deposits with original maturities of greater than three months and less than 12 months. As of December 31, 2023 and December 31, 2022, other investments amounted to $47,000 and $0, respectively.

(g) Accounts Receivable, Net: Accounts receivable, net at each balance sheet date includes estimated recoveries from charterers for hire, freight and demurrage, net of any allowance for receivables deemed uncollectible. Accounts receivable are recorded when the right to consideration becomes unconditional. The Company's management at each balance sheet date reviews all outstanding invoices and provides allowance for receivables deemed uncollectible primarily based on the aging of such balances and any amounts in dispute.

Credit Losses Accounting

On January 1, 2020, the Company adopted Accounting Standards Update 2016-13, "Financial Instruments - Credit Losses" ("ASC 326"), which requires entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade accounts receivable. Under the new guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses which will result in more timely recognition of such losses. The Company maintains an allowance for credit losses for expected uncollectable accounts receivable, which is recorded as an offset to trade accounts receivable and changes in such, if any, are classified as allowance for credit losses in the Consolidated Statements of Operations.

The adoption of ASC 326 primarily impacted trade accounts receivable recorded on the Consolidated Balance Sheets. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status. The Company also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to determine adjustments to historical loss data.

The Company assessed that any impairment of accounts receivable arising from operating leases, i.e. time charters, should be accounted in accordance with ASC 842, and not in accordance with Topic 326. Impairment of accounts receivable arising from voyage charters, which are accounted in accordance with ASC 606, are within the scope of Subtopic 326 and must therefore, be assessed for expected credit losses. The allowance for credit losses was $0, $2,990 and $2,990 as of each of December 31, 2023, 2022 and 2021, respectively.

No allowance was recorded for cash equivalents as the majority of cash balances as of the balance sheet date were on time deposits with highly reputable credit institutions, for which periodic evaluations of the relative credit standing of those financial institutions are performed. No allowance was recorded on insurance claims as of each of December 31, 2023, 2022 and 2021.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and trade accounts receivable. The Company places its temporary cash investments, consisting mostly of deposits, with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk. For credit losses accounting on the Company's financial assets please refer above.

(h) Inventories: Inventories comprised of (i) bunkers (when applicable) and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, and are stated at the lower of cost or net realizable value. The cost is determined primarily by the first-in, first-out method. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in earnings in the period in which it occurs.

(i) Vessels, Net: Vessels are stated at historical cost, which consists of the contract price and pre-delivery costs incurred during the construction and delivery of newbuildings, including capitalized interest, and any material expenses incurred upon acquisition (improvements and delivery expenses) of second hand vessels. Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. The fair value of the vessels is determined based on vessel valuations, from independent third party shipbrokers. Subsequent expenditures for major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capacity or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying Consolidated Statements of Operations. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of the Company's drybulk, containerships and tankers based on a scrap value cost of steel times the weight of the ship noted in lightweight ton ("LWT"). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and affect depreciation expense in the period of the revision and future periods. The estimated scrap rate used to calculate the vessel's scrap value is $340 per LWT as of each of December 31, 2023 and 2022.

Management estimates the useful life of the Company's vessels to be 25 years for drybulk and tanker vessels and 30 years for the containerships, respectively from the original construction. However, when regulations place limitations over the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

(j) Deposits for vessels acquisitions: Deposits for vessels acquisitions include (i) amounts paid by the Company in accordance with the terms of the purchase agreements for the construction of vessels (See Note 15 – Commitments and contingencies); (ii) pre-delivery expenses and related costs provided under the Company's existing agreements with the Managers (See Note 17 – Transactions with related parties and affiliates) and (iii) capitalized interest costs incurred during the construction (until the asset is substantially complete and ready for its intended use). Pre-delivery expenses represent any direct costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Interest expense incurred on deposits for vessels acquisitions for the years ended December 31, 2023, 2022 and 2021 amounted to $19,457, $6,537 and $966, respectively, and was initially capitalized under the caption"Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

(k) Assets Held for Sale: It is the Company's policy to dispose of vessels and other fixed assets when suitable opportunities occur and not necessarily to keep them until the end of their useful life. The Company classifies assets and disposal groups as being held for sale when the following criteria are met: management has committed to a plan to sell the vessel (disposal group); the asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of vessels; an active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated; the sale of the asset (disposal group) is probable and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale within one year; the asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These vessels are not depreciated once they meet the criteria to be held for sale. On October 14, 2022, Navios Partners completed the sale of the Navios Ulysses, a 2007-built Ultra-Handymax vessel of 55,728 dwt, classified as held for sale upon her acquisition by Navios Holdings (see Note 2(l) – Summary of significant accounting policies), to an unrelated third party, for a net sales price of $13,965. No assets were classified as held for sale as of each of December 31, 2023 and 2022.

(l) Asset Acquisitions: When the Company enters into an acquisition transaction, it determines whether the acquisition transaction is a purchase of an asset or a business based on the facts and circumstances of the transaction. In accordance with Topic 805, Business Combinations, the Company first evaluates whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets (Step one). If that threshold is met, the set of assets and activities is not a business. If the threshold is not met, the Company evaluates whether the set meets the definition of a business (Step two). To be considered a business, a set must include an input and a substantive process that together significantly contributes to the ability to create an output. All assets acquired and liabilities assumed in a business combination are measured at their acquisition date fair values. For asset acquisitions, the net assets acquired should be measured following a cost accumulation and allocation model under which the cost of the acquisition is allocated on a relative fair value basis to the qualifying assets acquired. Transaction costs associated with asset acquisitions are capitalized.

On July 26, 2022, the Company entered into a share purchase agreement to acquire a 36-vessel drybulk fleet for a purchase price of $835,000 including the assumption of bank liabilities, bareboat obligations and finance leasing obligations, subject to debt and working capital adjustments, from Navios Holdings. The fleet consisted of: (i) 30 vessels (including eight vessels under sale and leaseback and ten vessels under finance leases), (ii) five operating leases and (iii) one vessel that has been classified as held for sale. On July 29, 2022, 15 of the 36 vessels were delivered to Navios Partners. On September 8, 2022, the remaining 21 vessels were delivered to Navios Partners.

The Company performed an assessment, as defined under ASC 805, Business Combinations, and concluded that the acquisition of the 36-vessel drybulk fleet is an asset acquisition. The consideration paid amounted to $370,638 and is presented under the caption “Acquisition of/ additions to vessels” in the Consolidated Statements of Cash Flows including working capital balances of $(37,016) in accordance with the share purchase agreement of which an amount of $9,862 related to cash and cash equivalents and restricted cash and is presented under the caption “Cash acquired from acquisitions” in the Consolidated Statements of Cash Flows. The fair value of net assets acquired compared to the cost of consideration resulted in an excess value of $217,161 that was allocated to qualifying assets on a relative fair value basis. The qualifying assets were the vessels held and used, leases (finance and operating lease assets) and intangible assets.

Vessels held and used acquired as part of an asset acquisition are recorded at fair value, which is determined based on vessel valuations, obtained from independent third party shipbrokers which are, among other things, based on recent sales and purchase transactions of similar vessels.

When a vessel along with the current charter contract is acquired where the Company acts as a lessor as part of asset acquisition, intangible assets and unfavorable lease terms are recorded at fair value. The fair value of the favorable and unfavorable lease terms (intangible assets and liabilities) is determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis for the assets acquired from Navios Holdings were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to the current market charter rates for a similar contract and (ii) discounted using the Company’s relevant discount factor of 11.32%.

For acquired leases as part of an asset acquisition, where the Company is a lessee, the Company has elected to reassess classification. The Company recognizes the right-of-use assets for operating and finance leases acquired at the same amount as the lease liability, adjusted to reflect favorable and unfavorable terms of the lease when compared with market terms.

(m) Impairment of Long Lived Assets: Vessels, other fixed assets and other long lived assets held and used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Navios Partners' management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is based on the fair value of the asset. Navios Partners determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating the carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as obsolesce or significant damages to the vessel, vessel sales and purchases, business plans, overall market conditions and market economic outlook.

Undiscounted projected net operating cash flows are determined for each asset group, for which impairment indicators are present, and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, ballast water treatment system costs, exhaust gas cleaning system costs and other capitalized items, if any, related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel or the carrying value of deposits for newbuildings. Within the shipping industry, vessels are customarily bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to the current market rates. The loss recognized either on impairment or on disposition will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

Undiscounted projected net operating cash flow analysis is performed by considering various assumptions regarding the charter revenues from existing time charters for the fixed fleet days (Navios Partners' remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates for the first year and ten-year average historical one-year time charter rates for the remaining period), over the remaining economic life of each vessel, net of brokerage and address commissions, and excluding days of scheduled off-hires, scheduled dry-dockings or special surveys, scrap values, the use or probability of sale of each vessel, vessel operating expenses as determined by the Management Agreements (as defined herein) in effect until January 1, 2025 and thereafter assuming an annual increase of 3.0% every second year and utilization rate based on the fleet's historical performance.

(n) ***Deferred Drydock and Special Survey Costs:*** Navios Partners' vessels are subject to regularly scheduled drydocking and special surveys which are generally carried out every 30 or 60 months, depending on the assets' ages to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. The cost of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For the years ended December 31, 2023, 2022 and 2021, the amortization expense was $43,321, $28,917 and $16,143, respectively, and is presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations.

(o) ***Deferred Finance Costs:*** Deferred finance costs include: (i) fees paid associated with obtaining credit facilities and financial liabilities or refinancing existing ones accounted for as loan modification, which are deferred and are presented as a deduction from the corresponding liability in the Consolidated Balance Sheets. These costs are amortized over the life of the related credit facility and financial liability using the effective interest rate method, and are presented under the caption "Interest expense and finance cost, net" in the Consolidated Statements of Operations; (ii) fees paid associated with obtaining credit facilities and financial liabilities to finance the acquisition of newbuilding vessels, remained undrawn at the balance sheet date, which are deferred and are presented under the caption "Other long-term assets" in the Consolidated Balance Sheets. The amortization of such costs, calculated using the straight-line method until the end of vessel's construction period, is capitalized to the vessel's cost. Unamortized fees relating to credit facilities and financial liabilities repaid or refinanced and accounted for as debt extinguishment are written off in the period the repayment, prepayment or extinguishment is made and included in the determination of gain or loss on debt extinguishment. Amortization and write-off of deferred finance costs, including amortization of debt discount, for each of the years ended December 31, 2023, 2022 and 2021 were $7,188, $5,349 and $3,741, respectively and are presented under the caption "Amortization and write-off of deferred finance costs and discount" in the Consolidated Statements of Cash Flows.

(p) ***Intangible Assets and Unfavorable Lease Terms:*** Navios Partners' intangible assets and liabilities consist of favorable and unfavorable lease terms. When an asset along with the current charter contract are acquired as part of a business combination and/or asset acquisition, intangible assets and unfavorable lease terms are recorded at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows. Where charter rates are higher than market charter rates, an asset is recorded, being the difference between the acquired charter rate and the market charter rate for an equivalent vessel. Where charter rates are less than market charter rates, a liability is recorded, being the difference between the assumed charter rate and the market charter rate for an equivalent vessel. The determination of the fair value of acquired assets and assumed liabilities requires Navios Partners to make significant assumptions and estimates of many variables including market charter rates, contracted charter rates, remaining duration of the charter agreements, the level of utilization of its vessels and its relevant discount rate.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense/ income is included under the captions "Depreciation and amortization of intangible assets" and "Amortization of unfavorable lease terms", respectively in the Consolidated Statements of Operations.

The amortizable value of favorable leases would be considered impaired if their carrying values could not be recovered from the future undiscounted cash flows associated with the assets. As of December 31, 2023 and 2021, the management of the Company, has considered various indicators and concluded that events and circumstances did not trigger the existence of potential impairment of its intangible assets and that a recoverability test was not required as described in paragraph (m) above. As of December 31, 2022, the management of the Company, after considering various indicators, performed an impairment test, which included intangible assets as described in paragraph (m) above. As of December 31, 2023, 2022 and 2021 there was no impairment of intangible assets.

(q) Foreign Currency Translation: Navios Partners' functional and reporting currency is the U.S. Dollar. Navios Partners engages in worldwide commerce with a variety of entities. Although, its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. Additionally, Navios Partners' wholly-owned vessel subsidiaries transacted a nominal amount of their operations in Euros; however, all of the subsidiaries' primary cash flows are U.S. dollar denominated. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the Statements of Operations. The foreign currency gains/ (losses) recognized in the accompanying Consolidated Statements of Operations under the captions “Other income” or “Other expense”, for each of the years ended December 31, 2023, 2022 and 2021 were not material for any of these periods.

(r) Provisions: Navios Partners, in the ordinary course of its business, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisors, will provide for a contingent loss in the financial statements if the contingency had been incurred as of the balance sheet date and the likelihood of loss was probable and the amount of the loss can be reasonably estimated. If Navios Partners has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, Navios Partners will accrue the lower amount of the range.

Navios Partners, through the Management Agreements (as defined herein), participates in Protection and Indemnity (P&I) insurance coverage plans provided by mutual insurance societies known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums (supplementary calls) to fund operating deficits incurred by the clubs (“back calls”). Obligations for back calls are accrued annually based on information provided by the P&I clubs.

(s) Segment Reporting: Navios Partners reports financial information and evaluates its operations by charter revenues and not by the length of ship employment for its customers. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or vessel type. Management does not identify expenses, profitability or other financial information by charter type. As a result, management reviews operating results solely by revenue per day and operating results of the fleet and thus Navios Partners has determined that it operates under one reportable segment.

***(t) Revenue and Expense Recognition*:**

Revenue from time chartering

Revenues from time chartering and bareboat chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average lease revenue over the rental periods of such charter agreements, as service is performed. A time charter involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Short period charters for less than three months are referred to as spot-charters. Charters extending three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease components will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel. Revenue from time chartering and bareboat chartering of vessels amounted to $1,149,240, $1,064,642 and $669,185 for the years ended December 31, 2023, 2022 and 2021, respectively.

Revenue from voyage contracts

Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. Upon adoption of ASC 606, the Company recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of “costs to fulfill a contract” and relate directly to the contract. Revenue from voyage contracts amounted to $107,412, $69,075 and $25,199 for the years ended December 31, 2023, 2022 and 2021, respectively.

Pooling arrangements

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel's age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases under the scope of ASC 842 and is recognized for the applicable period when collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. Revenue from vessels operating in pooling arrangements amounted to $50,161, $74,344 and $17,982 for the years ended December 31, 2023, 2022 and 2021, respectively.

Revenue from profit-sharing

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer's average daily income (calculated on a quarterly or semi-annual basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable. Profit sharing revenue amounted to $76, $2,467 and $809 for the years ended December 31, 2023, 2022 and 2021, respectively.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive) on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Deferred Revenue and Cash Received in Advance: Deferred revenue primarily relates to cash received from charterers prior to it being earned and the straight-line amortization of the containerships and tankers charters with de-escalating rates. These amounts are recognized as revenue over the voyage or charter period.

Time Charter and Voyage Expenses: Time charter and voyage expenses comprise all expenses related to each particular voyage, including time charter hire paid and voyage freight paid, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter and voyage expenses are provisions for losses on time charters and voyages in progress at year-end, direct port terminal expenses and other miscellaneous expenses. Time charter expenses are expensed over the period of the time charter and voyage expenses are recognized as incurred.

Direct Vessel Expenses: Direct vessel expenses comprise the amortization related to drydocking and special survey costs of certain vessels of Navios Partners' fleet and certain extraordinary fees and costs, pursuant to the terms of the Management Agreements (as defined herein).

Prepaid Voyage Costs: Prepaid voyage costs relate to cash paid in advance for expenses associated with voyages. These amounts are recognized as expenses over the voyage or charter period.

Vessel operating expenses: Pursuant to the management agreement (the “Management Agreement”), the Manager, provided commercial and technical management services to Navios Partners’ vessels. For a detailed discussion of vessel operating expenses please see Note 17 – Transactions with related parties and affiliates.

General and administrative expenses: Pursuant to the administrative services agreement (the “Administrative Services Agreement”), the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. Under the Administrative Services Agreement, which provide for allocable general and administrative costs, the Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. For a detailed discussion of general and administrative expenses please see Note 17 – Transactions with related parties and affiliates.

(u) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, other investments, trade receivables and payables, other receivables and other liabilities, long-term debt, financial liabilities and lease liabilities. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

Financial Risk Management: Navios Partners' activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, fuel prices, credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

Credit Risk: Navios Partners closely monitors its credit exposure to customers and counter-parties for credit risk. Navios Partners has entered into the Management Agreements (as defined herein) with the Managers, pursuant to which the Managers agreed to provide commercial and technical management services to Navios Partners. When negotiating on behalf of Navios Partners' various vessel employment contracts, the Managers have policies in place to ensure that they trade with customers and counterparties with an appropriate credit history.

Financial instruments that potentially subject Navios Partners to concentrations of credit risk are accounts receivable and cash and cash equivalents. Navios Partners does not believe its exposure to credit risk is likely to have a material adverse effect on its financial position, results of operations or cash flows. See Note 5 – Accounts receivable, net

Liquidity Risk: Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and financial liabilities and the ability to close out market positions. Navios Partners monitors cash balances appropriately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Consolidated Statements of Operations.

(v) Cash Distribution: As per the partnership agreement, within 45 days following the end of each quarter, to the extent and as may be declared by the Board, an amount equal to 100% of Available Cash (as defined herein) with respect to such quarter shall be distributed to the partners as of the record date selected by the Board of Directors.

Available Cash: Generally means, for each fiscal quarter, all cash on hand at the end of the quarter:

- less the amount of cash reserves established by the Board of Directors to:
- provide for the proper conduct of the business (including reserve for maintenance and replacement capital expenditures);
- comply with applicable law, any of Navios Partners' debt instruments, or other agreements; or
- provide funds for distributions to the unitholders and to the general partner for any one or more of the next four quarters;
- plus all cash on hand on the date of determination of Available Cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under any revolving credit or similar agreement used solely for working capital purposes or to pay distributions to partners.

Available Cash is a quantitative measure used in the publicly traded partnership investment community to assist in evaluating a partnership's ability to make quarterly cash distributions. Available Cash is not required by U.S. GAAP and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

Cash distributions are recorded in the Company's financial statements in the period in which they are declared. Navios Partners paid $6,160, $6,163 and $4,615 to its unitholders of common and general partnership units during the years ended December 31, 2023, 2022 and 2021, respectively.

Maintenance and Replacement Capital Expenditures: Maintenance and replacement capital expenditures are those capital expenditures required to maintain over the long-term the operating capacity of or the revenue generated by Navios Partners' capital assets, and expansion capital expenditures are those capital expenditures that increase the operating capacity of or the revenue generated by the capital assets. To the extent, however, that capital expenditures associated with acquiring a new vessel increase the revenues or the operating capacity of the Company’s fleet, those capital expenditures would be classified as expansion capital expenditures. As of December 31, 2023, 2022 and 2021, maintenance and replacement capital expenditures reserve approved by the Board of Directors was $224,080, $244,589 and $83,147, respectively.

(w) ***Stock-based compensation:*** In February 2019, December 2019, December 2018 and December 2017, Navios Partners granted restricted common units to its directors and officers, which are based solely on service conditions and vest over four years each, respectively. Following the NNA Merger (as defined herein), Navios Partners assumed the restricted common units granted in December 2018 and December 2017 to directors and officers of Navios Maritime Acquisition Corporation ("Navios Acquisition"), which are based solely on service conditions and vest over four years each, respectively. Upon the NNA Merger (as defined herein), the unvested restricted common units were 11,843 after exchange on a 1 to 0.1275 basis. The fair value of restricted common units is determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger (as defined herein). Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period.

Navios Partners vested 1,001, 29,216 and 61,626 restricted common units during the years ended December 31, 2023, 2022 and 2021, respectively. See Note 13 – Repurchases and issuance of units.

(x) ***Income Taxes:*** The Company is a Marshall Islands Corporation. Pursuant to various treaties and the United States Internal Revenue Code, the Company believes that substantially all its operations are exempt from income taxes in the Marshall Islands and the United States of America. Under the laws of Marshall Islands, Liberia, Cayman Islands, Hong Kong, British Virgin Islands, Panama and Belgium, the countries of the vessel-owning subsidiaries' incorporation and/or vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes which have been presented under the caption "Other expense" in the Consolidated Statements of Operations.

(y) ***Earnings/(Losses) Per Unit:*** Basic earnings/(losses) per unit is computed by dividing net income/(loss) attributable to Navios Partners' common unitholders by the weighted average number of common units outstanding during the periods presented. Diluted earnings per unit reflect the potential dilution that would occur if securities or other contracts to issue common units were exercised or converted. Diluted earnings per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units.

(z) ***Guarantees:*** An asset for the fair value of a right undertaken in issuing the guarantee is recognized. The recognition of fair value is not required for certain guarantees such as the parent's guarantee of a subsidiary's debt to a third party or guarantees on product warranties. For those guarantees excluded from the above guidance requiring the fair value recognition of the asset, financial statement disclosures of their terms are made.

(aa) ***Leases for Lessors:*** Vessel leases where Navios Partners is regarded as the lessor are classified as either operating leases or sales type/ direct financing leases, based on an assessment of the terms of the lease. All Company's leases, for which the Company acts as lessor, are classified as operating leases.

For charters classified as operating leases where Navios Partners is regarded as the lessor, see Note 2(t) – Summary of significant accounting policies.

(bb) ***Leases for Lessees:*** Vessel leases, where Navios Partners is regarded as the lessee, are classified as either operating leases or finance leases, based on an assessment of the terms of the lease. According to the provisions of ASC 842-20-30-1, at the commencement date, the Company shall measure both of the following: a) The lease liability at the present value of the lease payments not yet paid, discounted using the discount rate for the lease at lease commencement and b) The right-of-use asset, which shall consist of all of the following: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made to the lessor at or before the commencement date, minus any lease incentives received; and (iii) any initial direct costs incurred by the lessee.

After lease commencement, the Company measures the lease liability for operating leases at the present value of the remaining lease payments using the discount rate determined at lease commencement. The right-of-use asset is subsequently measured at the amount of the remeasured lease liability, adjusted for the remaining balance of any lease incentives received, any cumulative prepaid or accrued rent if the lease payments are uneven throughout the lease term and any unamortized initial direct costs. Any changes made to leased assets to customize it for a particular use or need of the lessee are capitalized as leasehold improvements. Amounts attributable to leasehold improvements are presented separately from the related right-of-use asset. In cases of operating lease agreements that meet the definition of ASC 842 for a short-term lease (the lease has a lease term of 12 months or less) and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise, the Company makes the short-term lease election at the commencement date and does not recognize a lease liability or right-of-use asset on its balance sheet but, recognizes lease payments on a straight-line basis over the lease term. For charters classified as operating leases, lease expense is recognized on a straight line basis over the rental periods of such charter agreements and is included under the caption “Time charter and voyage expenses” in the Consolidated Statements of Operations.

After lease commencement, the Company measures the lease liability for finance leases by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made during the period. The right-of-use asset is amortized from the lease commencement date to the remaining useful life of the underlying asset since the Company has either the obligation or is reasonably certain to exercise its option to purchase the underlying asset. For finance leases, interest expense is determined using the effective interest method and is included under the caption “Interest expense and finance cost, net” in the Consolidated Statements of Operations, whereas amortization on the right-of-use asset is recognized on a straight line basis over the useful life of such asset and is included under the caption “Depreciation and amortization of intangible assets” in the Consolidated Statements of Operations.

In cases of the termination of a lease that results from the purchase of an underlying asset during the lease term, the Company recognizes any difference between the purchase price and the carrying amount of the lease liability immediately before the purchase as an adjustment of the carrying amount of the asset.

In cases of sale and leaseback transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and leaseback and is accounted for as a financing transaction. For a sale to have occurred, the control of the asset would need to be transferred to the buyer, and the buyer would need to obtain substantially all the benefits from the use of the asset.

Lease assets used by Navios Partners are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is based on the fair value of the lease asset, which is determined: (a) by calculating the operating lease asset’s discounted projected net operating cash flows based on management estimates and assumptions by making use of available market and company data and (b) on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis of the finance lease asset. In evaluating carrying values of operating and finance lease assets, certain indicators of potential impairment are reviewed, such as obsolesce or significant damage to the asset, business plans, overall market conditions and market economic outlook.

When the impairment indicators are present for any bareboat/time chartered-in vessel, the Company calculates the sum of the undiscounted projected net operating cash flows for such vessel and compares it to its carrying value (the “recoverability test”). Undiscounted projected net operating cash flow analysis is determined by considering various assumptions regarding the charter revenues from existing time charters for the fixed fleet days (the Company’s remaining charter-out agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on an average historical time charter-out rates) over the remaining lease term/ economic life of right-of-use assets under operating and finance leases, respectively, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat/time chartered-in vessels), scheduled dry-dockings or special surveys, scrap values, vessel operating expenses in accordance with the terms of Management Agreements (as defined herein) in effect until January 1, 2025 and thereafter assuming an annual increase of 3.0% every second year for the bareboat/time chartered-in vessels and utilization rate based on the fleet's historical performance. If the recoverability test indicates that impairment loss should be recognized, the determination of the lease asset’s fair value using discounted projected net operating cash flows requires the determination of the Company’s relevant discount factor.

(cc) ***Financial Instruments and Fair Value:*** Guidance on Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining the appropriate levels, the Company performs a detailed analysis of the assets and liabilities that are subject to guidance on Fair Value Measurements.

(dd) ***Other Comprehensive Income:*** The Company follows the provisions of ASC 220, "Comprehensive Income", which requires separate presentation of certain transactions which are recorded directly as components of equity. The Partnership has no such transactions which affect other comprehensive income and accordingly, for the years ended December 31, 2023, 2022 and 2021, comprehensive income equaled net income.

(ee) ***Recent Accounting Pronouncements - Adopted:*** As of December 31, 2023, the Company has elected one of the optional expedients provided in the ASU 2020-04 Reference Rate Reform and its update that allows entities with contract modifications within the scope of Topic 470, for which the terms that are modified solely relate to directly replacing, or having the potential to replace a reference rate with another interest rate index, to account for the modification that meets the scope of paragraphs 848-20-15-2 through 15-3 as if the modification was not substantial. That is, the original contract and the new contract shall be accounted for as if they were not substantially different from one another, and the modification shall not be accounted for in the same manner as a debt extinguishment. As of December 31, 2023, the Company has entered into certain amendments in the existing loan agreements in order to replace the reference rate from LIBOR to Secured Overnight Financing Rate ("SOFR"). The Company will continue to evaluate the potential impact of adopting the standards on its consolidated financial statements.

NOTE 3 – ACQUISITION OF NAVIOS CONTAINERS AND NAVIOS ACQUISITION

ACQUISITION OF NAVIOS CONTAINERS

On March 31, 2021, Navios Partners completed the merger (the "NMCI Merger") contemplated by the Agreement and Plan of Merger (the "NMCI Merger Agreement"), dated as of December 31, 2020, by and amongst Navios Partners, its direct wholly-owned subsidiary NMM Merger Sub LLC ("Merger Sub"), Navios Maritime Containers L.P. ("Navios Containers") and Navios Maritime Containers GP LLC, Navios Containers' general partner. Pursuant to the NMCI Merger Agreement, Merger Sub merged with and into Navios Containers, with Navios Containers continuing as the surviving partnership. As a result of the NMCI Merger, Navios Containers became a wholly-owned subsidiary of Navios Partners. Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. Following the exercise of the optional second merger, Navios Containers merged with and into Navios Maritime Containers Sub LP, ("Navios Containers" which shall include all its predecessors), with Navios Containers continuing as the surviving partnership, and Migen Shipmanagement Ltd, a wholly owned subsidiary of Navios Partners, became Navios Containers' general partner.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Navios Partners accounted for the NMCI Merger "as a business combination achieved in stages", which results in the application of the "acquisition method," as defined under ASC 805, Business Combinations. Navios Partners' previously held equity interest in Navios Containers was remeasured to its fair value at March 31, 2021, the date the controlling interest was acquired and the resulting gain was recognized in earnings. Under the acquisition method, the fair value of the consideration paid by Navios Partners in connection with the transaction was allocated to Navios Containers' net assets based on their estimated fair values at the date of the completion of the NMCI Merger. The excess of the fair value of the identifiable net assets acquired of $342,674 over the total purchase price consideration of $298,621, resulted in a bargain gain of $44,053. The transaction resulted in a bargain gain as a result of the share price of Navios Containers trading at a discount to their net asset value. The fair value of the vessels was determined based on vessel valuations, obtained from independent third party shipbrokers, which are among other things, based on recent sales and purchase transactions of similar vessels. The fair value of the unfavorable lease terms (intangible liabilities) was determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to the current market charter rates for a similar contract and (ii) discounted using the Company's relevant discount factor of 8.89%.

As of March 31, 2021, Navios Partners' previously held interest of 35.7% in Navios Containers was remeasured to a fair value of $106,997, determined using the closing price per common unit of $9.23 of Navios Containers as of the closing date of the NMCI merger, resulting in revaluation gain of $75,387 which along with the equity gain of $5,452 from the operations of Navios Containers upon the closing date aggregate to a gain on acquisition of control in the amount of $80,839 and is presented in, "Equity in net earnings of affiliated companies", in the accompanying Consolidated Statements of Operations. The acquisition of the remaining interest of 64.3% through the issuance of newly issued common units in Navios Partners was recorded at a fair value of $191,624 on the basis of 8,133,452 common units issued at a closing price per common unit of $23.56 as of the closing date of the NMCI Merger.

Since the completion of the NMCI Merger on March 31, 2021, beginning from April 1, 2021, the results of operations of Navios Containers are included in Navios Partners' Consolidated Statements of Operations. Total time charter and voyage revenues and net income of Navios Containers for the period from April 1, 2021 to December 31, 2021 included in the Consolidated Statements of Operations amounted to $168,322 and $182,479, respectively.

For the years ended December 31, 2023, December 31, 2022 and December 31, 2021 transaction costs amounted to $0, $0 and $247, respectively, and have been expensed in the Consolidated Statements of Operations under the caption "Transaction costs" in the accompanying Consolidated Statements of Operations.

The following table summarizes the consideration exchanged and the fair value of assets acquired and liabilities assumed on March 31, 2021:

Purchase price:		
Fair value of previously held interest (35.7%)	$	106,997
Equity issuance (8,133,452 Navios Partners units * $23.56)		191,624
Total purchase price		**298,621**
Fair value of assets acquired and liabilities assumed:		
Vessels		770,981
Current assets (including cash of $10,282)		29,033
Unfavorable lease terms		(224,490)
Long term debt and financial liabilities assumed (including current portion)		(227,434)
Current liabilities		(5,416)
Fair value of net assets acquired		**342,674**
Bargain gain	**$**	**44,053**

The acquired intangible, listed below, as determined at the acquisition date and is amortized under the straight line method over the period indicated below:

	Within One Year	Year Two	Year Three	Year Four	Year Five	Year Six	Total
Time charters with unfavorable lease terms	$ (126,710)	(52,501)	(20,431)	(12,462)	(11,445)	(941)	**$ (224,490)**

Intangible liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero.

The following is a summary of the acquired identifiable intangible liability:

Description	**Amount**
Unfavorable lease terms	$ (224,490)

(Expressed in thousands of U.S. Dollars except unit and per unit data)

ACQUISITION OF NAVIOS ACQUISITION

On August 25, 2021 (date of obtaining control), Navios Partners purchased 44,117,647 newly issued shares of Navios Acquisition, thereby acquiring a controlling interest of 62.4% in Navios Acquisition, and the results of operations of Navios Acquisition are included in Navios Partners' consolidated statements of operations commencing on August 26, 2021.

On October 15, 2021, Navios Partners completed the merger with Navios Acquisition (the "NNA Merger" and together with the NMCI Merger, the "Mergers") and as a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Each outstanding share of common stock of Navios Acquisition that was held by a stockholder other than Navios Partners was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public stockholders of Navios Acquisition.

Navios Partners accounted for the control obtained "as a business combination", which resulted in the application of the "acquisition method," as defined under ASC 805, Business Combinations, as well as the recognition of the equity interest in Navios Acquisition not held by Navios Partners to its fair value at the date the controlling interest is acquired by Navios Partners as noncontrolling interest on the consolidated balance sheet. The excess of the fair value of Navios Acquisition's identifiable net assets acquired of $211,597 over the fair value of the consideration transferred of $150,000 and the fair value of the noncontrolling interest of $57,635, resulted in a bargain gain upon obtaining control of $3,962.

The fair value of the consideration of $150,000 has been treated as deemed contribution with an equal increase in total partner's capital. The fair value of the noncontrolling interest was determined by using Navios Acquisition's closing price of $2.17 as of August 25, 2021 (date of obtaining control). The fair value of the vessels was determined based on vessel valuations, obtained from independent third party shipbrokers, which are among other things, based on recent sales and purchase transactions of similar vessels. The fair value of the favorable and unfavorable lease terms (intangible assets and liabilities) were determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to the current market charter rates for a similar contract; and (ii) discounted using the Company's relevant discount factor of 10.43%.

Total time charter and voyage revenues and net loss of Navios Acquisition for the period from August 26, 2021 to December 31, 2021 included in the Consolidated Statements of Operations amounted to $82,477 and $17,946, respectively.

For the years ended December 31, 2023, December 31, 2022 and December 31, 2021, transaction costs amounted to $0, $0 and $10,192 respectively, presented under the caption "Transaction costs" in the accompanying Consolidated Statements of Operations.

The following table summarizes the fair value of the consideration transferred the fair value of assets acquired and liabilities assumed and the fair value of the noncontrolling interest in Navios Acquisition assumed on August 25, 2021:

Purchase consideration:		
Fair value of the consideration	$	150,000
Fair value of noncontrolling interest (37.6%)		57,635
Total purchase consideration		**207,635**
Fair value of Navios Acquisition's assets acquired and liabilities assumed:		
Vessels		1,003,040
Other long-term assets		27,291
Operating lease assets		128,619
Current assets (including cash and restricted cash of $32,394)		64,180
Favorable lease terms		112,139
Unfavorable lease terms		(6,529)
Long term debt and financial liabilities assumed (including current portion)		(811,608)
Operating lease liabilities (including current portion)		(128,619)
Current liabilities		(176,916)
Fair value of Navios Acquisition's net assets		**211,597**
Bargain gain upon obtaining control	**$**	**3,962**

The intangible assets and liabilities, listed below, as determined at the date of obtaining control and are amortized under the straight line method over the period indicated below:

	Within One Year	Year Two	Year Three	Year Four	Year Five	Year Six and thereafter	Total
Time charters with favorable lease terms	$ 24,398	18,232	18,156	17,702	11,182	22,469	**$ 112,139**
Time charters with unfavorable lease terms	$ (4,672)	(1,857)	—	—	—	—	**$ (6,529)**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Intangible assets and liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero.

The following is a summary of the identifiable intangible asset and liability at the date of obtaining control:

	Amount
Description	
Favorable lease terms	$ 112,139
Unfavorable lease terms	$ (6,529)

If the acquisitions of Navios Containers and Navios Acquisition had been consummated as of January 1, 2020, Navios Partners' pro-forma revenues and net income for the year ended December 31, 2021 would have been $924,978 and $377,071, respectively, and for the year ended December 31, 2020 would have been $715,397 and $97,047, respectively. These pro-forma results do not include non-recurring items directly related to the business combinations as follows: (a) the gain on remeasurement of the previously held interest on Navios Containers and the equity gain from the operations of Navios Containers upon the closing date in the amount of $80,839; (b) the total bargain gain in the amount of $48,015; and (c) the transaction costs related to the Mergers in the amount of $11,169. The pro forma results are for comparative purposes only and do not purport to be indicative of the results that would have actually been obtained if the acquisition of Navios Containers and the consolidation of Navios Acquisition had occurred at the beginning of the period presented. In addition, these results are not intended to be a projection of future results and do not reflect any synergies that might be achieved from the combined operations.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 240,378	$ 157,814
Restricted cash	8,797	17,284
Total cash and cash equivalents and restricted cash	**$ 249,175**	**$ 175,098**

Restricted cash relates to amounts held in retention accounts in order to service debt and interest payments, as required by certain of the Company's credit facilities and financial liabilities.

Cash deposits and cash equivalents in excess of amounts covered by government-provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and equivalents in excess of government-provided insurance limits. Navios Partners also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

NOTE 5 – ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2023	December 31, 2022
Accounts receivable	$ 42,237	$ 78,020
Less: Provision for credit losses	—	(2,990)
Accounts receivable, net	**$ 42,237**	**$ 75,030**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Charges to provisions for credit losses are summarized as follows:

Allowance for credit losses	Balance at beginning of period	Charges to costs and expenses	Amount utilized	Balance at end of period
Year ended December 31, 2023	$ (2,990)	$ —	$ 2,990	$ —
Year ended December 31, 2022	$ (2,990)	$ —	$ —	$ (2,990)
Year ended December 31, 2021	$ (2,990)	$ —	$ —	$ (2,990)

Concentration of credit risk with respect to accounts receivable is limited due to the Company's large number of customers, who are internationally dispersed and have a variety of end markets in which they sell. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables. For the years ended December 31, 2023 and 2022, no customer accounted for 10.0% or more of the Company's total revenues. For the year ended December 31, 2021, Singapore Marine Pte. Ltd represented approximately 14.5% of the Company's total revenues. No other customers accounted for 10.0% or more of the Company's total revenues for any of the years presented.

NOTE 6 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31, 2023	December 31, 2022
Prepaid voyage costs	$ 7,350	$ 8,825
Inventories	37,566	32,667
Claims receivable	8,507	12,694
Other	7,913	6,110
Total prepaid expenses and other current assets	**$ 61,336**	**$ 60,296**

Inventories are comprised of bunkers, lubricants and stores remaining on board as of December 31, 2023 and 2022.

Claims receivable mainly represent claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts.

NOTE 7 – VESSELS, NET

Total Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2020	**$ 1,314,740**	**$ (273,602)**	**$ 1,041,138**
Additions/ (Depreciation)	1,996,820	(98,739)	1,898,081
Disposals	(90,933)	4,284	(86,649)
Balance December 31, 2021	**$ 3,220,627**	**$ (368,057)**	**$ 2,852,570**
Additions/ (Depreciation)	1,202,206	(163,941)	1,038,265
Disposals	(130,683)	17,177	(113,506)
Balance December 31, 2022	**$ 4,292,150**	**$ (514,821)**	**$ 3,777,329**
Additions/ (Depreciation)	432,773	(199,135)	233,638
Disposals	(301,462)	25,166	(276,296)
Balance December 31, 2023	**$ 4,423,461**	**$ (688,790)**	**$ 3,734,671**

The above balances as of December 31, 2023 are analyzed in the following tables:

Owned Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2022	**$ 3,757,903**	**$ (505,943)**	**$ 3,251,960**
Additions/ (Depreciation)	241,956	(174,476)	67,480
Disposals	(217,827)	23,888	(193,939)
Balance December 31, 2023	**$ 3,782,032**	**$ (656,531)**	**$ 3,125,501**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Right-of-use assets under finance Lease	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2022	**$ 534,247**	**$ (8,878)**	**$ 525,369**
Additions/ (Depreciation)	190,817	(24,659)	166,158
Transfers to owned vessels	(83,635)	1,278	(82,357)
Balance December 31, 2023	**$ 641,429**	**$ (32,259)**	**$ 609,170**

Right-of-use assets under finance leases are calculated at an amount equal to the finance liability, increased with the allocated excess value, the initial direct costs and adjusted for the carrying amount of the straight-line effect of liability as well as the favorable and unfavorable lease terms derived from charter-in agreements. Following the declaration of the Company's option to extend the charter period of one Kamsarmax vessel for one year commencing in May 2023, the corresponding right-of-use asset under finance lease was increased by $1,620, upon remeasurement of the finance lease liability, to $46,407 (see Note 11 – Borrowings).

During the years ended December 31, 2023, 2022 and 2021, the Company capitalized certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation and other improvements that amounted to $58,766, $18,901 and $11,408, respectively, and are presented under the caption "Acquisition of/ additions to vessels" in the Consolidated Statements of Cash Flows (see Note 17 – Transactions with related parties and affiliates).

Acquisition of Vessels

2023

On November 9, 2023, Navios Partners took delivery of the Sparrow, a 2023-built 5,300 TEU containership, from an unrelated third party, for an acquisition cost of $66,733.

In August 2023, Navios Partners agreed to acquire from an unrelated third party the Navios Horizon I, a 2019-built Kamsarmax vessel of 81,692 dwt, which was previously chartered-in and accounted for as a right-of-use asset under operating lease. In accordance with the provisions of ASC 842, the Company accounted the transaction as a lease modification and upon reassessment of the classification of the lease, the Company has classified the above transaction as finance lease, as of the effective date of the modification. Following the reassessment performed, the Company recognized a right-of-use asset at $27,561, being an amount equal to the finance lease liability (see Note 11 – Borrowings). On October 16, 2023, Navios Partners acquired from an unrelated third party, the Navios Horizon I, for an acquisition cost of $28,127, which was previously accounted for as a right-of-use asset under a finance lease. At the same date, the Company derecognized the right-of-use asset under finance lease and recognized the vessel at an aggregate cost of $27,555.

On June 21, 2023, Navios Partners took delivery of the Navios Amethyst, a 2023-built Capesize vessel of 182,212 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement, which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right-of-use asset at $64,600, being an amount equal to the initial measurement of the finance lease liability, including capitalized expenses, (see Note 11 - Borrowings), increased by the amount of $2,574, which was prepaid before the lease commencement.

On April 27, 2023, Navios Partners took delivery of the Navios Sakura, a 2023-built Capesize vessel of 182,169 dwt , from an unrelated third party by entering into a 15-year bareboat charter-in agreement, which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right-of-use asset at $50,890, being an amount equal to the initial measurement of the finance lease liability, including capitalized expenses, (see Note 11- Borrowings), increased by the amount of $2,579, which was prepaid before the lease commencement.

On March 29, 2023, Navios Partners took delivery of the Navios Altair, a 2023-built Capesize vessel of 182,115 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement, which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement, as a finance lease, and recognized a right-of-use asset at $46,146 being an amount equal to the initial measurement of the finance lease liability, including capitalized expenses, (see Note 11– Borrowings), increased by the amount of $3,028, which was prepaid before the lease commencement.

On March 6, 2023, Navios Partners paid an amount of $42,879 (including $1,600 related to the scrubber system installation) and acquired from an unrelated third party, the Navios Felix, a 2016-built scrubber-fitted Capesize vessel of 181,221 dwt, which was previously accounted for as a right-of-use asset under a finance lease. At the same date, the Company derecognized the right-of-use asset under finance lease and recognized the vessel at an aggregate cost of $53,232.

On February 5, 2023, Navios Partners took delivery of the Navios Meridian, a 2023-built Kamsarmax vessel of 82,010 dwt, from an unrelated third party, for an acquisition cost of $35,605 (including $1,305 capitalized expenses).

2022

On December 14, 2022, Navios Partners took delivery of the Navios Alegria, a 2016-built Kamsarmax vessel of 84,852 dwt, from an unrelated third party, for an acquisition cost of $27,493 (including $243 capitalized expenses).

On November 17, 2022, Navios Partners took delivery of the Navios Azalea, a 2022-built Capesize vessel of 182,064 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the vessel as finance lease for an acquisition cost of $44,753, including capitalized expenses, and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 11 – Borrowings), increased by initial direct costs adjusted for the carrying amount of the straight-line effect of the liability.

On September 21, 2022, Navios Partners took delivery of the Navios Armonia, a 2022-built Capesize vessel of 182,079 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the vessel as finance lease for an acquisition cost of $44,254, including capitalized expenses, and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 11 – Borrowings), increased by initial direct costs adjusted for the carrying amount of the straight-line effect of the liability.

On September 13, 2022, Navios Partners took delivery of the Navios Astra, a 2022-built Capesize vessel of 182,393 dwt, from an unrelated third party, by entering into a ten-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. Navios Partners declared its option to purchase the vessel at the end of the tenth year of the bareboat charter-in agreement, preserving the right to exercise the purchase option earlier during the option period. Navios Partners accounted for the vessel as finance lease for an acquisition cost of $55,804, including capitalized expenses, and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 11 – Borrowings), increased by initial direct costs adjusted for the carrying amount of the straight-line effect of the liability.

On July 27, 2022, Navios Partners took delivery of the Navios Primavera, a 2022-built Kamsarmax vessel of 82,003 dwt, from an unrelated third party, for an acquisition cost of $32,566 (including $986 capitalized expenses).

As of December 31, 2022, the Company's capitalized expenses and deposits for the option to acquire vessels amounted to $16,745 that related to the acquisition of the Navios Armonia, the Navios Astra, the Navios Primavera and the Navios Azalea.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, on July 29, 2022, the Company took delivery of ten vessels accounted for as finance leases for an acquisition cost of $389,436 and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 11 – Borrowings), increased with the allocated excess value and adjusted for the carrying amount of the straight-line effect of the liability as well as the favorable and unfavorable lease terms derived from charter-in agreements. On September 8, 2022, the Company took delivery of 20 vessels held and used, accounted for as owned, for an acquisition cost of $588,939 (see Note 2(l) – Summary of significant accounting policies).

2021

Upon acquisition of the majority of outstanding stock of Navios Acquisition and the completion of the NMCI Merger, the fleets of Navios Acquisition and Navios Containers were included in Navios Partners' owned fleet (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

On July 9, 2021, Navios Partners acquired the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $30,003 (including $3 capitalized expenses) (see Note 17 – Transactions with related parties and affiliates).

On June 30, 2021, Navios Partners acquired the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt and the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt, from its affiliate, Navios Holdings, for an aggregate purchase price of $58,000 (see Note 17 – Transactions with related parties and affiliates).

On June 4, 2021, Navios Partners acquired the Navios Koyo, a 2011-built Capesize vessel of 181,415 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $28,567 (including $67 capitalized expenses) (see Note 17 – Transactions with related parties and affiliates).

On May 10, 2021, Navios Partners acquired the Ete N, a 2012-built Containership of 2,782 TEU, the Fleur N, a 2012-built Containership of 2,782 TEU and the Spectrum N, a 2009-built Containership of 2,546 TEU from Navios Acquisition, for an aggregate purchase price of $55,500 (see Note 17 – Transactions with related parties and affiliates).

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012 built Kamsarmax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Kamsarmax vessel of 81,472 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $39,320 (including $70 capitalized expenses), including working capital balances of $(5,766) (see Note 17 – Transactions with related parties and affiliates).

The acquisition of the individual vessels from Navios Holdings (except for the Navios Koyo) and Navios Acquisition was effected through the acquisition of all of the capital stock of the respective vessel-owning companies, which held the ownership and other contractual rights and obligations related to each of the acquired vessels. Management accounted for each acquisition as an asset acquisition under ASC 805.

Sale of Vessels

2023

During the year ended December 31, 2023, Navios Partners sold 15 vessels to various unrelated third parties for an aggregate net sales price of $259,004. Following the sale of such vessels during the year ended December 31, 2023, the aggregate amount of $53,032 (including the aggregate remaining carrying balance of dry-dock and special survey cost of $12,033) is presented under the caption “Gain on sale of vessels, net” in the Consolidated Statements of Operations.

2022

During the year ended December 31, 2022, Navios Partners sold six vessels (excluding one vessel classified as held for sale, see Note 2(k) – Summary of significant accounting policies) to various unrelated third parties for an aggregate net sales price of $270,511. The aggregate net carrying amount of the vessels, including the remaining carrying balance of dry-dock and special survey cost of $7,653, amounted to $113,246 as of the date of the sales.

Vessels “agreed to be sold”

2022

On January 5, 2023, Navios Partners agreed to sell the Navios Prosperity I, a 2007-built Panamax vessel of 75,527 dwt, to an unrelated third party, for a sales price of $13,750. The sale was completed on February 7, 2023.

On December 30, 2022, Navios Partners agreed to sell the Navios Amaryllis, a 2008-built Ultra-Handymax vessel of 58,735 dwt, to an unrelated third party, for a sales price of $15,100. The sale was completed on January 26, 2023.

On December 19, 2022, Navios Partners agreed to sell the Jupiter N, a 2011-built Post-Panamax vessel of 93,062 dwt, to an unrelated third party, for a sales price of $16,425. The sale was completed on February 3, 2023.

On December 5, 2022, Navios Partners agreed to sell the Nave Polaris, a 2011-built Chemical Tanker vessel of 25,145 dwt, to an unrelated third party, for a sales price of $14,650. The sale was completed on January 24, 2023.

On December 5, 2022, Navios Partners agreed to sell the Nave Cosmos, a 2010-built Chemical Tanker vessel of 25,130 dwt, to an unrelated third party, for a sales price of $13,600. The sale was completed on January 9, 2023.

On December 1, 2022, Navios Partners agreed to sell the Star N, a 2009-built MR1 Product Tanker vessel of 37,836 dwt, to an unrelated third party, for a sales price of $18,100. The sale was completed on January 26, 2023.

On November 30, 2022, Navios Partners agreed to sell the Nave Dorado, a 2005-built MR2 Product Tanker vessel of 47,999 dwt, to an unrelated third party, for a sales price of $15,625. The sale was completed on January 17, 2023.

Following the sale of the vessels and the sales agreed to during the year ended December 31, 2022 analyzed above, the aggregate amount of $149,352, including an impairment loss of $7,913 in connection with the committed sales of the Nave Cosmos, the Nave Polaris, the Jupiter N and the Navios Prosperity I, was presented under the caption “Gain on sale of vessels, net” in the Consolidated Statements of Operations.

2021

During the year ended December 31, 2021, Navios Partners sold eight vessels to various unrelated third parties for an aggregate net sales price of $121,080. The aggregate net carrying amount of the vessels, including the remaining carrying balance of dry-dock and special survey cost of $806, amounted to $87,455 as of the date of the sales. Following the sale of such vessels during the year ended December 31, 2021, the aggregate net amount of $33,625, was presented under the caption “Gain on sale of vessels, net” in the Consolidated Statements of Operations.

Vessels impairment loss

2023

As of December 31, 2023, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of certain of Navios Partners’ long-lived assets might exist and a recoverability test of certain of long-lived assets was performed. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company’s future operations. As of December 31, 2023, the Company’s recoverability test concluded that no impairment loss was identified and recognized, as the undiscounted projected net operating cash flows of each asset group exceeded the carrying value.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

2022

As of December 31, 2022, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of certain of Navios Partners' long-lived assets might exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations. As a result, a recoverability test of certain of long-lived assets was performed. During the year ended December 31, 2022, an impairment loss of $7,913, which was presented under the caption "Gain on sale of vessels, net" in the Consolidated Statements of Operations, was recognized in connection with the committed sales of the Nave Cosmos in January 2023, the Nave Polaris in January 2023, the Jupiter N in February 2023 and the Navios Prosperity I in February 2023, as the carrying amount of each asset group was not recoverable and exceeded its fair value less costs to sell, as described above. Each vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of December 31, 2022.

2021

As of December 31, 2021, events and circumstances did not trigger the existence of potential impairment of the vessels, mainly due to the market improvement. As a result, there was no impairment charge for the year ended December 31, 2021.

NOTE 8 – INTANGIBLE ASSETS AND LIABILITIES

Intangible assets as of December 31, 2023 and December 31, 2022 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Favorable lease terms December 31, 2020	**$ 83,716**	**$ (81,716)**	**$ 2,000**
Additions/ (Amortization)	112,138	(13,716)	98,422
Favorable lease terms December 31, 2021	**$ 195,854**	**$ (95,432)**	**$ 100,422**
Additions/ (Amortization)	15,790	(37,496)	(21,706)
Favorable lease terms December 31, 2022	**$ 211,644**	**$ (132,928)**	**$ 78,716**
Amortization	—	(18,285)	(18,285)
Favorable lease terms December 31, 2023	**$ 211,644**	**$ (151,213)**	**$ 60,431**

The aggregate amortization of the intangibles for the years ending December 31 is estimated to be as follows:

Year	Amount
2024	$ 18,120
2025	14,251
2026	8,215
2027	4,982
2028	4,982
2029 and thereafter	9,881
Total	**$ 60,431**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Intangible assets subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. As of December 31, 2023, the weighted average useful life of the remaining favorable lease terms was 4.9 years.

Intangible liabilities as of December 31, 2023 and December 31, 2022 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Unfavorable lease terms December 31, 2021	**$ 231,019**	**$ (108,538)**	**$ 122,481**
Additions/ (Amortization)	388	(74,963)	(74,575)
Unfavorable lease terms December 31, 2022	**$ 231,407**	**$ (183,501)**	**$ 47,906**
Amortization	—	(19,922)	(19,922)
Unfavorable lease terms December 31, 2023	**$ 231,407**	**$ (203,423)**	**$ 27,984**

The aggregate amortization of the intangible liabilities for the years ending December 31 is estimated to be as follows:

Year	Amount
2024	$ 12,718
2025	11,680
2026	3,586
2027	—
2028	—
2029 and thereafter	—
Total	**$ 27,984**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Intangible liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. As of December 31, 2023, the weighted average useful life of the remaining unfavorable lease terms was 2.3 years.

NOTE 9 – ACCOUNTS PAYABLE

Accounts payable as of December 31, 2023 and 2022 consisted of the following:

	December 31, 2023	December 31, 2022
Creditors	$ 17,097	$ 16,758
Brokers	6,918	8,598
Professional and legal fees	1,473	1,761
Total accounts payable	**$ 25,488**	**$ 27,117**

NOTE 10 – ACCRUED EXPENSES

Accrued expenses as of December 31, 2023 and 2022 consisted of the following:

	December 31, 2023	December 31, 2022
Accrued voyage expenses	$ 10,641	$ 5,742
Accrued loan interest	7,420	8,297
Accrued legal and professional fees	5,547	2,010
Total accrued expenses	**$ 23,608**	**$ 16,049**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

As of December 31, 2023 and December 31, 2022, the amount of $4,016 and $675, respectively, was included in accrued legal and professional fees that was authorized and approved by the Compensation Committee of Navios Partners in December 2023 and 2022 to the directors and officers of the Company, subject to fulfillment of certain service conditions that were provided and completed as of December 31, 2023, and as of December 31, 2022, respectively. The total amount of $9,855, $7,605 and $5,738 was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021, respectively, and comprised of compensation authorized to the directors and officers of the Company.

NOTE 11 – BORROWINGS

Borrowings as of December 31, 2023 and December 31, 2022 consisted of the following:

	December 31, 2023	December 31, 2022
Credit facilities	$ 908,288	$ 874,038
Financial liabilities	502,275	695,934
Finance lease liabilities	468,414	389,007
Total borrowings	**$ 1,878,977**	**$ 1,958,979**
Less: Current portion of long-term borrowings, net	(285,036)	(391,095)
Less: Deferred finance costs, net	(17,514)	(13,532)
Long-term borrowings, net	**$ 1,576,427**	**$ 1,554,352**

As of December 31, 2023, the total borrowings, net of deferred finance costs were $1,861,463.

Credit Facilities

NIBC Bank N.V.:
On December 28, 2018, Navios Partners entered into a credit facility with NIBC Bank N.V. ("NIBC") of up to $28,500 (divided into three tranches) in order to refinance three Ultra-Handymax vessels, previously included in the Term Loan B collateral package. On May 8, 2019, the first tranche of the credit facility of $11,915 was drawn. On October 10, 2019, the two remaining tranches of the credit facility of $13,475 in total were drawn. Following an amendment in December 2020, one Ultra-Handymax vessel was released from security of the credit facility and one other Handymax vessel was collateralized. On January 23, 2023, following the sale of one 2008-built Ultra-Handymax vessel of 58,735 dwt, the amount of $4,214 was prepaid. On June 16, 2023, the outstanding amount of $10,380 was prepaid.

Skandinaviska Enskilda BanKen AB:

On June 29, 2022, Navios Partners entered into a credit facility with Skandinaviska Enskilda BanKen AB ("Skandinaviska Enskilda") of up to $55,000 in order to refinance the existing indebtedness of four of its vessels and for general corporate purposes. On June 30, 2022, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $43,240. The facility matures in the second quarter of 2027 and bears interest at Compounded Secured Overnight Financing Rate ("Compounded SOFR") plus 225 bps per annum.

On April 19, 2023, Navios Partners entered into a credit facility with Skandinaviska Enskilda Banken AB of up to $65,000 in order to refinance the existing indebtedness of five of its tanker vessels and for general corporate purposes. On April 21, 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $61,100. The facility matures in the second quarter of 2028 and bears interest at Compounded SOFR plus 200 bps per annum.

Hellenic Bank Public Company Limited: On May 9, 2022, Navios Partners entered into a credit facility with Hellenic Bank Public Company Limited ("Hellenic Bank") of up to $25,235 in order to refinance the existing indebtedness of five of its vessels and for working capital purposes. On May 11, 2022, the full amount was drawn. In January 2023, following the sale of one 2005-built MR2 Product Tanker vessel of 47,999 dwt, the amount of $3,700 was prepaid. As of December 31, 2023, the total outstanding balance was $15,505. The facility matures in the second quarter of 2027 and bears interest at Term Secured Overnight Financing Rate ("Term SOFR") plus a credit adjustment spread plus 250 bps per annum.

Hamburg Commercial Bank AG: On September 5, 2022, Navios Partners entered into a credit facility with Hamburg Commercial Bank AG ("HCOB") for a total amount up to $210,000 in order to refinance the existing indebtness of 20 of its vessels and for working capital purposes. On September 9, 2022, the full amount was drawn. In November 2022, following the sale of one 2004-built Panamax vessel of 76,466 dwt and one of 2009-built Panamax vessel of 75,162 dwt, the amount of $10,239 was prepaid. In January 2023, following the sale of one 2011-built Post-Panamax vessel of 93,062 dwt, the amount of $8,885 was prepaid. In December , 2023 following the sale of one 2004-built Panamax of 75,707 dwt, the amount of $5,297 was prepaid. As of December 31, 2023, the total outstanding balance was $144,201. The facility matures in the second quarter of 2025 and bears interest at Compounded SOFR plus 250 bps per annum.

FIRST-CITIZENS BANK & TRUST COMPANY: On December 21, 2022, Navios Partners entered into a credit facility with First-Citizens Bank & Trust Company of up to $44,200 in order to refinance the existing indebtedness of three of its tanker vessels and for general corporate purposes. On January 9, 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $39,700. The facility matures in the first quarter of 2028 and bears interest at Term SOFR plus 195 bps per annum.

DNB BANK ASA: On August 19, 2021, Navios Partners entered into a credit facility with DNB Bank ASA for a total amount of up to $18,000, in order to finance part of the acquisition cost of the Navios Azimuth. On August 20, 2021, the full amount was drawn. As of December 31, 2023, the remaining outstanding balance was $12,240. The facility matures in the third quarter of 2026 and bears interest at Compounded SOFR plus a credit adjustment spread plus a margin (ranging from 280 bps to 290 bps per annum depending on the emission efficiency ratio of the vessels as defined in the loan agreement).

On December 13, 2021, Navios Partners entered into a sustainability linked credit facility with DNB Bank ASA of up to $72,710 for the refinancing of the existing credit facilities of three tanker vessels and two dry bulk vessels. On December 15, 2021, the full amount was drawn. On December 15, 2023, Navios Partners prepaid the amount of $37,075 relating to three tanker vessels that were released from the facility. As of December 31, 2023, the total outstanding balance was $19,070. The facility matures in the fourth quarter of 2026 and bears interest at Compounded SOFR plus a credit adjustment spread plus a margin (ranging from 270 bps to 280 bps per annum depending on the emission efficiency ratio of the vessels as defined in the loan agreement).

On February 16, 2023, Navios Partners entered into a credit facility with DNB (UK) Limited and The Export-Import Bank of China for a total amount up to $161,600 in order to finance part of the contract price of four newbuilding containerships, currently under construction. As of December 31, 2023, the total amount has remained undrawn. The credit facility matures ten years after drawdown and bears interest at Compounded SOFR plus 170 bps per annum.

KFW IPEX-BANK GMBH: On September 30, 2022, Navios Partners entered into a credit facility with KFW IPEX-BANK GMBH ("KFW") for a total amount up to $86,240 in order to finance part of the acquisition cost of two newbuilding containerships. Following the delivery of a 5,300 TEU containership in November 2023, the amount of $43,120 was drawn. As of December 31, 2023, the total outstanding balance was $43,120 and $43,120 remains to be drawn. The facility matures seven years after the drawdown date and bears interest at Compounded SOFR plus 200 bps per annum.

On April 25, 2023, Navios Partners entered into an export agency-backed facility with KFW for a total amount of up to $165,638 in order to finance the acquisition cost of two newbuilding 7,700 TEU containerships, currently under construction. As of December 31, 2023, the Company has drawn a total amount of $84,781. As of December 31, 2023, the total outstanding balance was $84,781 and $80,857 remains to be drawn. The facility is scheduled to mature 12 years after the delivery of each vessel and bears interest at Compounded SOFR plus 150 bps per annum.

EUROBANK S.A: On May 2, 2023, Navios Partners entered into a credit facility with Eurobank S.A of up to $30,000 to refinance the existing indebtedness of three of its tanker vessels and for general corporate purposes. On May 3, 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $28,200. The facility matures in the second quarter of 2028 and bears interest at Term SOFR plus 100 bps per annum for any part of the loan (up to 70%) secured by cash collateral and 225 bps per annum for the remaining amount.

BNP PARIBAS: On April 28, 2021, Navios Partners entered into a credit facility with BNP PARIBAS for a total amount of $40,000 to refinance the existing credit facility dated June 26, 2017, as amended on April 9, 2019 and to finance the acquisition of two 2012 built 2,782 TEU containerships. On May 10, 2021, the full amount of the credit facility was drawn. The facility was scheduled to mature in the second quarter of 2025 and bore interest at LIBOR plus 285 bps per annum. On February 2, 2023, following the sale of one 2007-built Panamax vessel of 75,527 dwt, the amount of $6,363 was prepaid. On April 26, 2023, following the sale of one 2007-built Panamax vessel of 75,511 dwt, the amount of $6,441 was prepaid. On June 16, 2023, the outstanding balance of $16,651 was repaid and refinanced.

On June 12, 2023, Navios Partners entered into a credit facility with BNP Paribas of up to $40,000 in order to refinance the existing indebtedness of nine of its containerships. On June 16, 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $35,834. The facility matures in the second quarter of 2026 and bears interest at Compounded SOFR plus 250 bps per annum.

On June 21, 2023, Navios Partners entered into a credit facility with BNP Paribas, Credit Agricole Corporate and Investment Bank and First-Citizens Bank & Trust Company of up to $107,600 in order to refinance the existing indebtedness of ten of its vessels and for general corporate purposes. On June 26, 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $93,600. The facility matures in the second quarter of 2026 and bears interest at Compounded SOFR plus 250 bps per annum.

NATIONAL BANK OF GREECE S.A: On June 17, 2021, Navios Partners entered into a credit facility with National Bank of Greece for a total amount of up to $43,000, in order to refinance the existing credit facilities of six dry bulk vessels. On June 18, 2021, the full amount was drawn. In August 2021, following the sale of one 2005-built Panamax vessel of 74,759 dwt, the amount of $6,019 was prepaid. In May 2023, following the sale of one 2004-built Panamax vessel of 75,798 dwt and one 2011-built Ultra-Handymax vessel of 56,644 dwt, the amount of $9,517 was prepaid. In June 2023, the outstanding balance of $19,079 was prepaid and refinanced.

On June 20, 2023, Navios Partners entered into a credit facility with National Bank of Greece S.A of up to $77,822 in order to refinance the existing indebtedness of ten of its vessels and for general corporate purposes. In June 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $72,822. The facility matures in the second quarter of 2028 and bears interest at Term SOFR (with option to switch to Compounded SOFR) plus 215 bps per annum.

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK: On July 4, 2019, Navios Partners entered into a credit facility with Credit Agricole Corporate and Investment Bank ("CACIB") of up to $52,800 (divided into four tranches) in order to refinance three Capesize vessels and one Panamax vessel, previously included in the Term Loan B collateral package. In August 2019, the three tranches of the credit facility of $36,516, in total were drawn. In October 2019, the fourth tranche of the credit facility of $16,284 was drawn. On August 23, 2021, Navios Partners prepaid $11,404 of the credit facility and released one vessel from the collateral package of the credit facility. The Company entered into a sale and leaseback agreement of $15,000 for the released vessel (see also Financial Liabilities below). The facility was scheduled to mature in the second quarter of 2025 and bore interest at LIBOR plus 275 bps per annum. On June 30, 2023, the outstanding balance of $21,896 was repaid and refinanced.

On March 23, 2021, Navios Partners entered into a credit facility with CACIB of $58,000 in order to refinance the CACIB credit facility dated September 28, 2020 and to partially finance the acquisition of the Navios Centaurus and the Navios Avior. On March 30, 2021, the full amount was drawn. The credit facility was scheduled to mature in the first quarter of 2026 and bore interest at LIBOR plus 300 bps per annum. On June 30, 2023, the outstanding balance of $44,400 was repaid and refinanced.

On June 28, 2023, Navios Partners entered into a credit facility with Credit Agricole Corporate and Investment Bank of up to $62,400 in order to refinance existing indebtedness of seven of its dry bulk vessels. On June 30, 2023, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $56,900. The facility matures in the second quarter of 2026 and bears interest at Term SOFR plus 250 bps per annum.

ABN Amro Bank N.V: On March 28, 2022, Navios Partners entered into a credit facility with ABN Amro Bank N.V. ("ABN") of up to $55,000 in order to refinance the existing indebtedness of three of its vessels and for general corporate purposes. On March 31, 2022, the full amount was drawn. As of December 31, 2023, the total outstanding balance was $43,100. The facility matures in the first quarter of 2027 and bears interest at Compounded SOFR plus 225 bps per annum.

Upon completion of the NMCI Merger, Navios Partners assumed the following credit facilities:

BNP Paribas: On June 26, 2019, Navios Containers entered into a facility agreement with BNP Paribas for an amount of up to $54,000 to refinance the existing facilities of seven containerships. On June 27, 2019, Navios Containers drew $48,750 net of loan's discount of $405. The loan bore interest at a rate of LIBOR plus 300 bps and was scheduled to mature in the second quarter of 2024. In June 2023, the outstanding balance of $22,005 was prepaid and refinanced.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following credit facilities:

BNP Paribas S.A.: In August 2021, Navios Acquisition, entered into a loan facility agreement of up to $96,000 with BNP Paribas, in order to partially refinance the existing indebtedness of five tanker vessels. Pursuant to an amendment in December 2021, one container vessel was added as collateral. The facility was scheduled to mature in the third quarter of 2025 and bore interest at LIBOR plus 285 bps per annum. In January 2023, following the sale of one 2009-built MR1 Product Tanker vessel of 37,836 dwt, the amount of $5,685 was prepaid. In February 2023, following the sale of one 2008-built VLCC vessel of 297,395 dwt, the amount of $16,618 was prepaid. In June 2023, the outstanding balance of $42,196 was prepaid and refinanced.

Hamburg Commercial Bank AG: In August 2021, as amended on November 10, 2021 and December 07, 2021, Navios Acquisition entered into a loan agreement with HCOB, Alpha Bank S.A. and National Bank of Greece, of $190,216 in order to partially refinance the existing indebtedness of seven tanker vessels. Pursuant to an amendment in December 2021, two container vessels were added as collaterals. In January 2023, following the sale of one 2011-built Chemical Tanker vessel of 25,145 dwt and one 2010-built Chemical Tanker vessel of 25,130 dwt, the amount of $11,440 was prepaid. As of December 31, 2023, the remaining outstanding balance of the credit facility was $114,875. The facility matures in the second quarter of 2025. Pursuant to the amendment dated July 24, 2023 the facility bears interest at Compounded SOFR plus margin ranging from 290 to 350 bps per annum, based on the loan to value ration as defined in the loan agreement.

Eurobank S.A: In June 2020, Navios Acquisition entered into a loan agreement with Eurobank S.A. of $20,800 in order to refinance two LR1s. The facility was scheduled to mature in the second quarter of 2024 and bore interest at LIBOR plus 300 bps per annum. In April 2023 following the sale of one 2008-built LR1 product tanker vessel of 63,495 dwt, the amount of $6,000 was repaid. In July 2023, following the sale of one 2008-built LR1 product tanker vessel of 63,599 dwt the outstanding balance of $5,600 was prepaid.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners assumed the following credit facilities:

Credit Agricole Corporate and Investment Bank: In December 2021, Navios Holdings entered into a loan agreement with Credit Agricole Corporate and Investment Bank and BNP Paribas for an amount of $105,000, for the refinancing of seven of its vessels. On January 5, 2022, the amount under this facility was fully drawn. In October 2022, the amount of $10,260 was repaid following the sale of one 2007-built Ultra-Handymax vessel. The facility was scheduled to mature in the fourth quarter of 2024 and bore interest at LIBOR plus 285 bps per annum. In June 2023, the outstanding balance of $65,340 was prepaid and refinanced.

Financial Liabilities

In December 2018, the Company entered into two sale and leaseback agreements of $25,000 in total, with unrelated third parties for the Navios Fantastiks and the Navios Beaufiks. Navios Partners has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreements as a financial liability. In October 2023, following the sale of the Navios Beaufiks a purchase obligation of $6,528 was prepaid and the respective sale and leaseback agreement was terminated. The sale and leaseback agreement of the Navios Fantastiks matures in the third quarter of 2024. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Fantastiks was $7,239.

On April 5, 2019, the Company entered into a sale and leaseback agreement of $20,000, with unrelated third parties for the Navios Sol, a 2009-built Capesize vessel of 180,274 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On April 11, 2019, the amount of $20,000 was drawn. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Sol was $14,334. The agreement matures in the second quarter of 2029.

On July 2, 2019, the Company entered into a sale and leaseback agreement of $22,000, with unrelated third parties for the Navios Ace, a 2011-built Capesize vessel of 179,016 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On July 24, 2019, the amount of $22,000 was drawn. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Ace was $16,505. The agreement matures in the third quarter of 2030.

In June 2021, the Company entered into a sale and leaseback agreement of $15,000, with unrelated third parties for the Navios Bonavis, a 2009- built Capesize vessel of 180,022 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2021, the amount of $15,000 was drawn. The agreement matures in the second quarter of 2027. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Bonavis was $10,999.

In June 2021, the Company entered into a sale and leaseback agreement of $18,500, with unrelated third parties for the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On June 28, 2021, the amount of $18,500 was drawn. The agreement matures in the second quarter of 2030. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Ray was $15,148.

On August 16, 2021, the Company entered into a sale and leaseback agreement of $15,000 with an unrelated third party for the Navios Pollux, a 2009-built Capesize vessel of 180,727 dwt. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On August 25, 2021, the amount of $15,000 was drawn. The agreement matures in the third quarter of 2027. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Pollux was $11,277.

Pursuant to a novation agreement dated December 20, 2021, the Company agreed to novate the shipbuilding contract and to simultaneously enter into a bareboat charter agreement to bareboat charter-in a newbuilding Kamsarmax vessel of 82,003 dwt, under a ten-year bareboat contract, from an unrelated third party, the Navios Primavera. The Company-lessee has performed an assessment based on provisions of ASC 842 and concluded that it controls the underlying asset that is under construction before the commencement date of the lease and as such, a sale and leaseback of the asset occurs at the commencement date of the lease (upon the completion of construction). In July 2022, Navios Partners took delivery of the Navios Primavera, and entered into sale and leaseback agreement with an unrelated third party for $25,264. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. The agreement matures in the third quarter of 2032. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $23,318.

In October 2022, Navios Partners completed a $100,000 sale and leaseback transaction with unrelated third parties to refinance the existing sale and leaseback transaction of twelve containerships. Navios Partners has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, Navios Partners did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. Navios Partners drew the entire amount on October 31, 2022, net of discount of $800. Navios Partners also has an obligation at maturity to purchase the twelve containerships. The sale and leaseback agreement bears interest at Term SOFR plus 210 bps per annum. As of December 31, 2023, the outstanding balance under this sale and leaseback agreement was $67,450.

On November 15, 2022, the Company entered into a sale and leaseback agreement of $24,000 with an unrelated third party for the Navios Alegria, a 2016-built Kamsarmax vessel of 84,852 dwt. Navios Partners has a purchase option to acquire the vessel at the end of the lease term and given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On December 7, 2022, the amount of $24,000 was drawn. The agreement matures in the fourth quarter of 2032 and following the amendment dated August 13, 2023 bears interest at Term SOFR plus 211 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Alegria was $21,441.

On December 5, 2022, the Company entered into a sale and leaseback agreement of $10,500 with an unrelated third party for the Navios Sagittarius, a 2006-built Panamax vessel of 75,756 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the third year. In December 2022, Navios Partners declared its option to purchase the vessel at the end of the fourth year of the bareboat charter-in agreement, preserving the right to exercise the purchase option earlier during the option period. Under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On December 15, 2022, the amount of $10,500 was drawn. The agreement matures in the fourth quarter of 2026 and following the amendment dated July 3, 2023 bears interest at Term SOFR plus 241 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement of the Navios Sagittarius was $8,469.

Pursuant to a novation agreement dated January 28, 2022, the Company agreed to novate the shipbuilding contract and to simultaneously enter into a bareboat charter agreement to bareboat charter-in a newbuilding Kamsarmax vessel of 82,010 dwt, under a ten-year bareboat contract, from an unrelated third party, the Navios Meridian. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. In January 2022, Navios Partners declared its option to purchase the vessel at the end of the tenth year of the bareboat charter-in agreement, preserving the right to exercise the purchase option earlier during the option period. The Company-lessee has performed an assessment based on provisions of ASC 842 and concluded that it controls the underlying asset that is under construction before the commencement date of the lease and as such, a sale and leaseback of the asset occurs at the commencement date of the lease (upon the completion of construction). Under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In February 2023, Navios Partners took delivery of the Navios Meridian and recognized an amount of $27,440 as financial liability in accordance with ASC 842-40. The sale and leaseback transaction matures in the first quarter of 2033 and following the amendment dated August 4, 2023 bears interest at Term SOFR plus 191 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $25,763.

In February 2023, the Company entered into a sale and leaseback agreement of $32,000 with an unrelated third party, in order to finance the Navios Felix, a 2016-built Capesize vessel of 181,221 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. Navios Partners has a purchase option to acquire the vessel at the end of the lease term and given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On March 9, 2023, the amount of $32,000 was drawn. The sale and leaseback transaction matures in the first quarter of 2033 and following the amendment dated June 29, 2023 bears interest at Term SOFR plus 211 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $29,396.

In May 2023, Navios Partners entered into sale and leaseback agreements of $178,000 with unrelated third parties, in order to finance the acquisition of two newbuilding 5,300 TEU containerships and two newbuilding Aframax/LR2 tanker vessels. As of December 31, 2023, the total amount has remained undrawn. The sale and leaseback transaction matures ten years after the drawdown date and bears interest at Term SOFR plus 210 bps per annum.

In October 2023, the Company entered into a sale and leaseback agreement of $22,800 with an unrelated third party in order to finance the acquisition of the Navios Horizon I. The bareboat charter-in provides for purchase options with de-escalating prices starting on the end of the fourth year. Navios Partners has a purchase option to acquire the vessel at the end of the lease term given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as financial liability. On November 16, 2023, the amount of $22,800 was drawn. The sale and leaseback transaction matures in the fourth quarter of 2035 and bears interest at Term SOFR plus 220 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $22,511.

In November 2023, Navios Partners entered into sale and leaseback agreements of $175,600 with unrelated third parties, in order to finance the acquisition of two newbuilding 5,300 TEU containerships and two newbuilding Aframax/LR2 tanker vessels. As of December 31, 2023, the total amount has remained undrawn. The sale and leaseback transaction matures ten years after the drawdown date and bears interest at Term SOFR plus 200 bps per annum.

Upon completion of the NMCI Merger, Navios Partners assumed the following financial liabilities:

On May 25, 2018, Navios Containers entered into a $119,000 sale and leaseback transaction with unrelated third parties in order to refinance the outstanding balance of the existing facilities of 18 containerships. Navios Containers has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, Navios Containers did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. On June 29, 2018, Navios Containers completed the sale and leaseback of the first six vessels for $37,500. On July 27, 2018 and on August 29, 2018, Navios Containers completed the sale and leaseback of four additional vessels for $26,000. On November 9, 2018, Navios Containers completed the sale and leaseback of four additional vessels for $26,700. Navios Containers did not proceed with the sale and leaseback transaction of the four remaining vessels. In July 2021, following the sale of one 2008-built container vessel of 4,250 TEU, the amount of $4,778 was prepaid. In October 2022, the Company prepaid the amount of $46,365 and 12 container vessels were released. In June 2023, the sale and leaseback agreement matured, the purchase obligation of $3,251 was paid and the respective sale and leaseback agreement was terminated.

On March 11, 2020, Navios Containers completed a $119,060 sale and leaseback transaction with unrelated third parties to refinance the existing credit facilities of two 8,204 TEU containerships and two 10,000 TEU containerships. Navios Containers has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, Navios Containers did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. Navios Containers drew the entire amount on March 13, 2020, net of discount of $1,191. In September 2022, following the sale of two 2006-built container vessels of 8,204 TEU each, the amount of $24,642 was prepaid. The Company also has an obligation at maturity to purchase the remaining two 10,000 TEU containerships. Following the prepayment the sale and leaseback agreement matures in March 2027 for the two 10,000 TEU containerships. In August 2023, the Company amended the sale and leaseback agreements to bear interest at Term SOFR plus 225 bps per annum. As of December 31, 2023, the outstanding balance under this sale and leaseback transaction was $51,636.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following financial liabilities:

On March 31, 2018, Navios Acquisition entered into a $71,500 sale and leaseback agreement with unrelated third parties to refinance the outstanding balance of the existing facility on four product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was accounted for as a failed sale. In accordance with ASC 842-40, Navios Acquisition did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under sale and lease back agreement as a financial liability. In April 2018, Navios Acquisition drew $71,500 under this agreement. The sale and leaseback agreement matures in April 2029 and bears interest at Term SOFR plus 190 bps per annum. As of December 31, 2023, the outstanding balance under this agreement was $37,240.

In March and April 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for $103,155 in order to refinance $50,250 outstanding on the existing facility on three product tankers and to finance two product tankers. Navios Acquisition had a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. The sale and leaseback agreements were scheduled to mature in March and April 2026 respectively, and bore interest at LIBOR plus 350 bps per annum. In April 2023, the Company exercised its purchase option for all five vessels before the end of the lease term, by prepaying an amount of $61,181.

In August 2019, Navios Acquisition entered into a sale and leaseback agreement of $15,000, with unrelated third parties in order to refinance one product tanker. Navios Acquisition has a purchase option to acquire the vessel at the end of the lease term and given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, under ASC 842-40, the transaction was determined to be a failed sale. The agreement matures in August 2024. Pursuant to and an amendment dated July 2023, the agreement bears interest at Term SOFR plus an implied margin of 400 bps per annum. As of December 31, 2023, the outstanding balance under this agreement was $6,719.

In September 2019, Navios Acquisition entered into additional sale and leaseback agreements with unrelated third parties for $47,220 in order to refinance three product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. The agreements were scheduled to mature in September 2023 and September 2026 and bore interest at LIBOR plus a margin ranging from 350 bps to 360 bps per annum, depending on the vessel financed. In May 2023, the Company exercised its purchase option for all three vessels before the end of the lease term, by prepaying an amount of $26,898.

In October 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for $90,811 in order to refinance six product tankers. Navios Acquisition had a purchase option to acquire the vessels at the end of the lease term and given the fact that such exercise price is not equal to the fair value of each asset at the end of the lease term, under ASC 842-40, the transaction was determined to be a failed sale. In May 2022, the Company exercised its purchase option for two out of six vessels before the end of the lease term, by prepaying an amount of $ 11,295. The sale and leaseback arrangements bore interest at LIBOR plus a margin ranging from 335 bps to 355 bps per annum, depending on the vessel financed. In June 2023, the Company exercised its purchase option for the remaining four vessels before the end of the lease term, by prepaying an amount of $43,913.

In June 2020, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for $72,053 in order to refinance one MR1, one MR2 and two LR1s. Navios Acquisition had a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In April 2021 Navios Acquisition prepaid the amount of $6,210. In December 2022, following the sale and release of one 2009-built MR1 product tanker, the Company prepaid the amount of $5,903. The sale and leaseback arrangements bore interest at LIBOR plus margin of 390 bps per annum and were scheduled to mature in June 2027. In January 2023, the Company exercised its purchase option for the remaining three vessels before the end of the lease term, by prepaying an amount of $45,610.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners assumed the following financial liabilities:

In November 2019, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $33,000 in order to finance a Capesize vessel. The agreement matures in the first quarter of 2032. Pursuant to the amendment dated June 28, 2023 the agreement bears interest at Term SOFR plus 211 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $22,250.

In February 2020, Navios Holdings entered into a sale and leaseback agreement with an unrelated third party for $35,000 in order to finance a Capesize vessel. Navios Partners has a purchase option to acquire the vessel at the end of the lease term and given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the first quarter of 2032 and following the amendment dated June 28, 2023 bears interest at Term SOFR plus 211 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $24,059.

In November 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $19,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the fourth quarter of 2029. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $15,452.

In December 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $19,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the fourth quarter of 2029. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $15,452.

In December 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $19,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the first quarter of 2029. Following the amendment dated June 27, 2023, the agreement bears interest at Term SOFR plus margin of 211 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $13,857.

In December 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $20,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the fourth quarter of 2027. Pursuant to the amendment dated June 19, 2023, the agreement and bears interest at Term SOFR plus 311 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $14,271.

In February 2022, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $12,000 in order to finance a Panamax vessel. Navios Partners has a purchase option to acquire the vessel at the end of the lease term and given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the first quarter of 2027. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $8,339.

In July 2022, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for $22,000 in order to finance a Panamax vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. The agreement matures in the third quarter of 2032. Pursuant to the amendment dated June 27, 2023, the agreement bears interest at Term SOFR plus 166 bps per annum. As of December 31, 2023, the outstanding balance under the sale and leaseback agreement was $19,150.

Finance Lease Liabilities

On November 17, 2022, Navios Partners took delivery of the Navios Azalea, a 2022-built Capesize vessel of 182,064 dwt, for a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 7%. As of December 31, 2023, the outstanding balance was $38,442 and is repayable in 14 years.

On September 21, 2022, Navios Partners took delivery of the Navios Armonia, a 2022-built Capesize vessel of 182,079 dwt, for a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 7% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period. As of December 31, 2023, the outstanding balance was $38,205 and is repayable in 14 years.

On September 13, 2022, Navios Partners took delivery of the Navios Astra, a 2022-built Capesize vessel of 182,393 dwt, for a 10-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. In December 2021, Navios Partners declared its option to purchase the vessel at the end of the tenth year of the bareboat charter-in agreement, preserving the right to exercise the purchase option earlier during the option period. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $42,781, based on the net present value of the remaining charter-in payments including the purchase obligation to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 7%. As of December 31, 2023, the outstanding balance was $39,620 and is repayable in nine years.

On March 29, 2023, Navios Partners took delivery of the Navios Altair, a 2023-built Capesize vessel of 182,115 dwt under a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the agreement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6.5%. As of December 31, 2023, the outstanding balance was $40,099 and is repayable in 15 years.

On April 27, 2023, Navios Partners took delivery of the Navios Sakura, a 2023-built Capesize vessel of 182,169 dwt, under a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting at the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the agreement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 5.5%. As of December 31, 2023, the outstanding balance was $44,786 and is repayable in 15 years.

On June 21, 2023, Navios Partners took delivery of the Navios Amethyst, a 2023-built Capesize vessel of 182,212 dwt, under a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the agreement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 5.4%. As of December 31, 2023, the outstanding balance was $59,066 and is repayable in 15 years.

In August 2023, Navios Partners agreed to acquire from an unrelated third party the Navios Horizon I, a 2019-built Kamsarmax vessel of 81,692 dwt, which was previously chartered-in and accounted for as a right-of-use asset under operating lease (See Note 20 - Leases). In accordance with the provisions of ASC 842, the Company accounted the transaction as a lease modification and upon reassessment of the classification of the lease, the Company has classified the above transaction as finance lease, as of the effective date of the modification. Following the reassessment performed, the Company recognized a right-of-use asset at $27,561, being an amount equal to the finance lease liability. In October 2023, the Company acquired the Navios Horizon I and repaid in full the outstanding balance of the finance lease liability as of that date.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners upon reassessing the classification of the following leases in accordance with the criteria in ASC 842 Leases, recognized the following finance lease liabilities:

On July 29, 2022, Navios Partners took delivery of the Navios Magellan II, a 2020-built Kamsarmax vessel of 82,037 dwt, for a remaining eight-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $19,385 based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $17,861 and is repayable in seven years.

On July 29, 2022, Navios Partners took delivery of the Navios Galaxy II, a 2020-built Kamsarmax vessel of 81,789 dwt, for a remaining eight-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $17,702 based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6% As of December 31, 2023, the outstanding balance was $15,899 and is repayable in seven years.

On July 29, 2022, Navios Partners took delivery of the Navios Uranus, a 2019-built Kamsarmax vessel of 81,821 dwt, for a remaining seven-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $17,607, based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $15,828 and is repayable in six years.

On July 29, 2022, Navios Partners took delivery of the Navios Felicity I, a 2020-built Kamsarmax vessel of 81,962 dwt, for a remaining seven-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $17,473, based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $16,128 and is repayable in six years.

On July 29, 2022, Navios Partners took delivery of the Navios Herakles I, a 2019-built Kamsarmax vessel of 82,036 dwt, for a remaining seven-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $17,791 based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $16,354 and is repayable in six years.

On July 29, 2022, Navios Partners took delivery of the Navios Coral, a 2016-built Kamsarmax vessel of 84,904 dwt, for a remaining three-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $35,173, based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $30,755 and is repayable in two years.

On July 29, 2022, Navios Partners took delivery of the Navios Amber, a 2015-built Kamsarmax vessel of 80,994 dwt, for a remaining one-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. During the first half of 2023, the Company declared its option to extend the charter period for one year commencing in May 2023. Under the ASC 842, the extension of the charter period is considered as a lease modification. Consequently, the Company reallocated the remaining consideration in the contract and remeasured the finance lease liability by using the updated Company's incremental borrowing rate of approximately 6%. The finance lease liability recognized at the date of modification was increased by $1,620. The corresponding right-of-use asset under finance lease was adjusted upon remeasurement of the finance lease liability (see Note 7 – Vessels, net). As of December 31, 2023, the outstanding balance was $32,161 and is repayable in one year.

On July 29, 2022, Navios Partners took delivery of the Navios Citrine, a 2017-built Kamsarmax vessel of 81,626 dwt, for a remaining three-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $35,605, based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $31,566 and is repayable in two years.

On July 29, 2022, Navios Partners took delivery of the Navios Dolphin, a 2017-built Kamsarmax vessel of 81,630 dwt, for a remaining three-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $35,676, based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. As of December 31, 2023, the outstanding balance was $31,644 and is repayable in two years.

On July 29, 2022, Navios Partners took delivery of the Navios Felix, a 2016-built Capesize vessel of 181,221 dwt, for a remaining one-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability amounting to $43,383, based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. In March 2023, the Company acquired the Navios Felix and repaid in full the outstanding balance of the finance lease liability as of that date.

Based on management estimates and market conditions, the lease term of the leases is being assessed at each balance sheet date. At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

The Company recognizes the total interest expense incurred on finance lease liabilities under the caption "Interest expense and finance cost, net" in the Consolidated Statements of Operations. For the year ended December 31, 2023, the total interest expense incurred amounted to $30,313. For the year ended December 31, 2022, the total interest expense incurred amounted to $12,243. No interest expense on finance lease liabilities was incurred for the year ended December 31, 2021. As of December 31, 2023 and December 31, 2022, payments related to the finance lease liabilities amounted to $26,172 and $10,389, respectively, and are presented under the caption "Repayment of long-term debt and financial liabilities" in the Consolidated Statements of Cash Flows.

Credit Facilities and Financial Liabilities

The credit facilities and certain financial liabilities contain a number of restrictive covenants that prohibit or limit Navios Partners from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of Navios Partners' vessels; changing the commercial and technical management of Navios Partners' vessels; selling or changing the beneficial ownership or control of Navios Partners' vessels; not maintaining Navios Holdings', Angeliki Frangou's or their affiliates' ownership in Navios Partners of at least 5.0%; and subordinating the obligations under the credit facilities to any general and administrative costs related to the vessels, including the fixed daily fee payable under the Management Agreements (defined herein).

As of December 31, 2023 and December 31, 2022, the security deposits under certain sale and leaseback agreements were $0 and $8,650, respectively, and are presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

The Company's credit facilities and certain financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a required security ranging over 110% to 140%; (ii) minimum free consolidated liquidity in an amount equal to $500 per owned vessel and a number of vessels as defined in the Company's credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company's credit facilities and financial liabilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth of $135,000.

It is an event of default under the credit facilities and certain financial liabilities if such covenants are not complied with in accordance with the terms and subject to the prepayments or cure provisions of the facilities.

As of December 31, 2023, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities and certain financial liabilities.

The annualized weighted average interest rates of the Company's total borrowings were 7.2%, 5.3% and 4.1% for the years ended December 31, 2023, 2022 and 2021, respectively.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Partners outstanding as of December 31, 2023, based on the repayment schedules of the respective credit facilities, financial liabilities and finance lease liabilities (as described above).

Year	Amount
2024	$ 290,709
2025	481,799
2026	280,452
2027	186,175
2028	158,253
2029 and thereafter	481,589
Total	**$ 1,878,977**

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of many of Navios Partners' financial instruments, including accounts receivable and accounts payable approximate their fair value due primarily to the short-term maturity of the related instruments.

Fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these deposits.

Restricted cash: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these deposits.

Other investments: The carrying amounts reported in the Consolidated Balance Sheets for interest bearing deposits approximate their fair value.

Amounts due from related parties, long-term: The carrying amount of due from related parties long-term reported in the Consolidated Balance Sheets approximates its fair value.

Amounts due to related parties, short-term: The carrying amount of due to related parties, short-term reported in the Consolidated Balance Sheets approximates its fair value due to the short-term nature of these payables.

Credit facilities and financial liabilities, including current portion, net: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate credit facilities and financial liabilities continues to approximate its fair value, excluding the effect of any deferred finance costs.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

The estimated fair values of the Navios Partners' financial instruments are as follows:

	December 31, 2023		December 31, 2022	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 240,378	$ 240,378	$ 157,814	$ 157,814
Restricted cash	$ 8,797	$ 8,797	$ 17,284	$ 17,284
Other investments	$ 47,000	$ 47,000	$ —	$ —
Amounts due from related parties, long-term	$ 39,570	$ 39,570	$ 41,403	$ 41,403
Amounts due to related parties, short-term	$ (32,026)	$ (32,026)	$ (104,751)	$ (104,751)
Credit facilities and financial liabilities, including current portion, net	$ (1,393,049)	$ (1,410,563)	$ (1,556,440)	$ (1,569,972)

Fair Value Measurements

The estimated fair value of the Company's financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level III inputs as of December 31, 2022.

	Fair Value Measurements as at December 31, 2023			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 240,378	$ 240,378	$ —	$ —
Restricted cash	$ 8,797	$ 8,797	$ —	$ —
Other investments	$ 47,000	$ 47,000	$ —	$ —
Amounts due from related parties, long-term	$ 39,570	$ —	$ 39,570	$ —
Amounts due to related parties, short-term	$ (32,026)	$ —	$ (32,026)	$ —
Credit facilities and financial liabilities, including current portion, net [1]	$ (1,410,563)	$ —	$ (1,410,563)	$ —

	Fair Value Measurements as at December 31, 2022			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 157,814	$ 157,814	$ —	$ —
Restricted cash	$ 17,284	$ 17,284	$ —	$ —
Amounts due from related parties, long-term	$ 41,403	$ —	$ 41,403	$ —
Amounts due to related parties, short-term	$ (104,751)	$ —	$ (104,751)	$ —
Credit facilities and financial liabilities, including current portion, net [1]	$ (1,569,972)	$ —	$ (1,569,972)	$ —

(1) The fair value of the Company's credit facilities and financial liabilities is estimated based on currently available credit facilities, financial liabilities, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

The estimated fair value of the Company's right-of-use asset measured at fair value on a non-recurring basis (See Note 20 - Leases), is based on what a market participant would pay for the right-of-use asset for its highest and best use calculated using discounted cash flow, which comprises various assumptions, including the Company's discount factor of 11.0% and is categorized based upon the fair value hierarchy as follows:

	Fair Value Measurements as at December 31, 2023			
	Total	Level I	Level II	Level III
Operating leases	$ 3,595	$ —	$ —	$ 3,595

The estimated fair value of the Company's vessels measured at fair value on a non-recurring basis, is based on the concluded sales price and is categorized based upon the fair value hierarchy as follows:

	Fair Value Measurements as at December 31, 2022			
	Total	Level I	Level II	Level III
Vessels, net	$ 57,402	$ —	$ 57,402	$ —

NOTE 13 – REPURCHASES AND ISSUANCE OF UNITS

In July 2022, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $100,000 of the Company's common units. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Navios Partners' management based upon market conditions and financial and other considerations, including working capital and planned or anticipated growth opportunities. As of December 31, 2023, no repurchases of common units has been made. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in the Company's discretion and without notice. The Board of Directors will review the program periodically.

On May 21, 2021, Navios Partners entered into a Continuous Offering Program Sales Agreement ("$110.0m Sales Agreement") for the issuance and sale from time to time through its agent common units having an aggregate offering price of up to $110,000. As of December 31, 2021, since the commencement of the $110.0m Sales Agreement, Navios Partners had issued 3,963,249 units and received net proceeds of $103,691. Pursuant to the issuance of the common units, Navios Partners issued 80,883 general partnership units to its General Partner in order to maintain its 2.0% ownership interest. As of December 31, 2021, the net proceeds from the issuance of the general partnership units were approximately $2,172. No additional sales were made subsequent to December 31, 2021 or will be made under this program.

On April 9, 2021, Navios Partners entered into a Continuous Offering Program Sales Agreement ("$75.0m Sales Agreement") for the issuance and sale from time to time through its agent of common units having an aggregate offering price of up to $75,000. As of December 31, 2021, since the commencement of the $75.0m Sales Agreement, Navios Partners had issued 2,437,624 units and received net proceeds of $73,117. Pursuant to the issuance of the common units, Navios Partners issued 49,747 general partnership units to its General Partner in order to maintain its 2.0% ownership interest. As of December 31, 2021, the net proceeds from the issuance of the general partnership units were approximately $1,530. No additional sales were made subsequent to December 31, 2021 or will be made under this program.

On November 18, 2016, Navios Partners entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time through its agent of common units having an aggregate offering price of up to $25,000. An amended Sales Agreement was entered into on August 3, 2020. As of December 31, 2021, since the date of the amended Sales Agreement, Navios Partners had issued 1,286,857 units and received net proceeds of $23,918. Pursuant to the issuance of the common units, Navios Partners issued 26,265 general partnership units to its general partner in order to maintain its 2.0% ownership interest. As of December 31, 2021, the net proceeds from the issuance of the general partnership units were $501. No additional sales were made subsequent to December 31, 2021 or will be made under this program.

Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. As a result of the NMCI Merger, 8,133,452 common units of Navios Partners were issued to former public unitholders of Navios Containers. Pursuant to the issuance of the common units, Navios Partners issued 165,989 general partnership units, resulting in net proceeds of $3,911 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

Pursuant to the terms of the Navios Acquisition's merger agreement, each outstanding share of common stock of Navios Acquisition that was held by a stockholder other than Navios Partners, was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public stockholders of Navios Acquisition. Pursuant to the issuance of the common units, Navios Partners issued 69,147 general partnership units, resulting in net proceeds of $1,893 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

In December 2019, Navios Partners authorized the granting of 4,000 restricted common units, which were issued on December 18, 2019, to its directors and officers, which are based solely on service conditions and vest over four years. The effect of compensation expense arising from the restricted common units described above amounted to $4, $10, and $18 for the years ended December 31, 2023, 2022 and 2021, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2023, 2022 and 2021.

In February 2019, Navios Partners authorized the granting of 25,396 restricted common units, which were issued on February 1, 2019, to its directors and officers, which are based solely on service conditions and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Navios Partners also issued 518 general partnership units to its general partner for net proceeds of $8. The effect of compensation expense arising from the restricted common units described above for the years ended December 31, 2023, 2022 and 2021, amounted to $0, $23, and to $63, respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during the year ended December 31, 2023. During the year ended December 31, 2022, the Company forfeited 12,699 unvested restricted common units and cancelled 259 general partnership units. There were no restricted common units exercised, forfeited or expired during the year ended December 31, 2021.

In December 2018, Navios Partners authorized the granting of 97,633 restricted common units, which were issued on December 24, 2018, to its directors and officers, which are based solely on service conditions and vest over four years. Navios Partners also issued 1,993 general partnership units to its general partner for net proceeds of $27. The effect of compensation expense arising from the restricted common units described above amounted to $0, $79, and $187 for the years ended December 31, 2023, 2022 and 2021 respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2023, 2022 and 2021.

In December 2017, Navios Partners authorized the granting of 91,336 restricted common units, which were issued on January 11, 2018, to its directors and officers, which are based solely on service conditions and vest over four years. The fair value of the restricted common units was determined by reference to the quoted common unit price on the date of grant. Compensation expense, net of estimated forfeitures, is recognized when it is probable that the performance criteria will be met based on a graded expense model over the vesting period. Navios Partners also issued 1,864 general partnership units to its general partner for net proceeds of $64. The effect of compensation expense arising from the restricted common units described above amounted to $0, $0 and $186 for the years ended December 31, 2023, 2022 and 2021, respectively, and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2023, 2022 and 2021.

Following the NNA Merger, Navios Partners assumed the following granted restricted common units:

In December 2018, Navios Acquisition authorized and issued in the aggregate 129,269 restricted shares of common stock to its directors and officers. These awards of restricted common stock are based on service conditions only and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Upon the NNA Merger, the unvested restricted common units were 8,116 after exchange on a 1 to 0.1275 basis. The effect of compensation expense arising from the restricted common units described above amounted to $0, $42 and $32 for the years ended December 31, 2023, 2022 and 2021, respectively, and was presented under the caption “General and administrative expenses” in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2023, 2022 and 2021.

In December 2017, Navios Acquisition authorized and issued in the aggregate 118,328 restricted shares of common stock to its directors and officers. These awards of restricted common stock are based on service conditions only and vest over four years. The fair value of restricted common units was determined by reference to the quoted stock price on the date of grant or the date that the grants were exchanged upon completion of the NNA Merger. Compensation expense, net of estimated forfeitures, is recognized based on a graded expense model over the vesting period. Upon the NNA Merger, the unvested restricted common units were 3,727 after exchange on a 1 to 0.1275 basis. The effect of compensation expense arising from the restricted common units described above amounted to $0, $0 and $37 for the years ended December 31, 2023, 2022 and 2021, and was presented under the caption “General and administrative expenses” in the Consolidated Statements of Operations. There were no restricted common units exercised, forfeited or expired during each of the years ended December 31, 2023, 2022 and 2021.

As of December 31, 2023, the estimated compensation cost related to service conditions of non-vested restricted common units granted in 2019 not yet recognized was $0.

As of December 31, 2023 and December 31, 2022, there were 0 and 1,001, respectively, restricted common units outstanding that remained unvested.

Common unitholders have limited voting rights and the Company’s partnership agreement restricts the voting rights of common unitholders owning more than 4.9% of the Company’s common units.

NOTE 14 – INCOME TAXES

The Republic of the Marshall Islands does not impose a tax on international shipping income. Under the laws of the Marshall Islands, Liberia, Cayman Islands, Hong Kong, British Virgin Islands, Panama and Belgium, the countries of the vessel-owning subsidiaries' incorporation and/or vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes, which have been included in vessel expenses in the accompanying Consolidated Statements of Operations.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state, which is calculated on the basis of the relevant vessel's tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece.

The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company, the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel outside Greece.

We have elected to be treated and we are currently treated as a corporation for U.S. federal income tax purposes. As such, we are not subject to section 1446 as that section only applies to entities that for U.S. federal income tax purposes are characterized as partnerships.

Pursuant to Section 883 of the Internal Revenue Code of the United States, U.S. source income from the international operation of ships is generally exempt from U.S. income tax if the company operating the ships meets certain incorporation and ownership requirements. Among other things, in order to qualify for this exemption, the company operating the ships must be incorporated in a country, which grants an equivalent exemption from income taxes to U.S. corporations. All the vessel-owning subsidiaries satisfy these initial criteria.

In addition, these companies must meet an ownership test. The management of Navios Partners believes that this ownership test was satisfied prior to the IPO by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company. Although not free from doubt, management also believes that the ownership test will be satisfied based on the trading volume and ownership of Navios Partners' units, but no assurance can be given that this will remain so in the future.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Navios Partners is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where Navios Partners believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. Management believes the ultimate disposition of these matters will be immaterial individually and in the aggregate to Navios Partners' financial position, results of operations or liquidity.

On July 2, 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships, from an unrelated third party, for a purchase price of $61,600 each. On November 9, 2023 and on January 25, 2024, Navios Partners took delivery of the Sparrow and Zim Eagle, respectively. The remaining vessels are expected to be delivered into Navios Partners' fleet during 2024. Navios Partners agreed to pay in total $18,480 in three installments for each vessel and the remaining amount of $43,120 for each vessel plus extras will be paid upon delivery of the vessel. On August 13, 2021, the first installment of each vessel of $6,160, or $24,640 accumulated for the four vessels, was paid. During the year ended December 31, 2022, the aggregate amount of $36,960 in relation to the second installment for the four vessels and the third installment for the two vessels, was paid. During the year ended December 31, 2023, the aggregate amount of $55,440 in relation to the third installment for the two vessels and the last installment for the one vessel, was paid. As of December 31, 2023, the total amount of $55,440 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

On October 1, 2021, Navios Partners exercised its option to acquire two 5,300 TEU newbuilding containerships, from an unrelated third party, for a purchase price of $61,600 each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2024. Navios Partners agreed to pay in total $18,480 in three installments for each vessel and the remaining amount of $43,120 for each vessel plus extras will be paid upon delivery of the vessel. On November 15, 2021, the first installment of each vessel of $6,160, or $12,320 accumulated for the two vessels, was paid. During the year ended December 31, 2023 the aggregate amount of $18,480 in relation to the second installment for the two vessels and the third installment for one vessel was paid. As of December 31, 2023, the total amount of $30,800 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In November 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships (two plus two optional), from an unrelated third party, for a purchase price of $62,825 each. The vessels are expected to be delivered into Navios Partners' fleet during 2024. Navios Partners agreed to pay in total $25,130 in four installments for each vessel and the remaining amount of $37,695 plus extras for each vessel will be paid upon delivery of the vessel. During the year ended December 31, 2022, the aggregate amount of $43,978 in relation to the first installment for the four vessels, the second installment for the two vessels and the third installment for the one vessel, was paid. During the year ended December 31, 2023 the aggregate amount of $37,695 in relation to the second installment for the two vessels, the third installment for the two vessels and the fourth installment for the two vessels, was paid. As of December 31, 2023, the total amount of $81,673 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In April 2022, Navios Partners agreed to purchase four 115,000 dwt Aframax/LR2 newbuilding vessels for a purchase price of $58,500 each (plus $4,158 in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2024. Navios Partners agreed to pay in total $23,400 plus extras in four installments for each vessel and the remaining amount of $35,100 plus extras for each vessel will be paid upon delivery of each vessel. During the year ended December 31, 2022, the first installment of each vessel of $6,266, or $25,063 accumulated for the four vessels, was paid. During the year ended December 31, 2023, the aggregate amount of $31,329 in relation to the second installment for the four vessels and the third installment for the one vessel, was paid. As of December 31, 2023, the total amount of $56,392 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In June 2022, Navios Partners agreed to purchase two newbuilding liquefied natural gas (LNG) dual fuel 7,700 TEU containerships, from an unrelated third party, for an amended purchase price of $115,510 each (original price of $120,610 each). The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2024 and the first half of 2025. Navios Partners agreed to pay in total $92,408 in four installments for each vessel and the remaining amount of $23,102 for each vessel will be paid upon delivery of the vessel. During the year ended December 31, 2022, the first installment of each vessel of $23,102, or $46,204 accumulated for the two vessels, was paid. During the year ended December 31, 2023, the aggregate amount of $103,959 in relation to the second and third installment for the two vessels, was paid. As of December 31, 2023, the total amount of $150,163 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In November 2022, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding vessels for a purchase price of $60,500 each (plus $4,158 in additional features). The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2025. Navios Partners agreed to pay in total $24,200 plus extras in four installments for each vessel and the remaining amount of $36,300 plus extras for each vessel will be paid upon delivery of each vessel. During the year ended December 31, 2023, the aggregate amount of $12,100 in relation to the first installment for the two vessels was paid. As of December 31, 2023, the total amount of $12,100 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In December 2022, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total $18,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2025 and the first half of 2026. During the year ended December 31, 2023, the aggregate amount of $9,000 in relation to the deposit for the option to acquire the two vessels, was paid. As of December 31, 2023, the total amount of $10,392, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

During the second quarter of 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total $18,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2026 and the first half of 2027. During the year ended December 31, 2023, the aggregate amount of $9,000 in relation to the deposit for the option to acquire the two vessels, was paid. As of December 31, 2023, the total amount of $10,266, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

In August 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total $20,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2027. During the year ended December 31, 2023, the aggregate amount of $10,000 in relation to the deposit for the option to acquire the two vessels, was paid. As of December 31, 2023, the total amount of $11,286, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

During the third quarter of 2023, Navios Partners agreed to acquire four 115,000 dwt Aframax/LR2 newbuilding scrubber-fitted vessels for a purchase price of $61,250 each (plus $3,300 in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2026. Navios Partners agreed to pay in total $27,562 plus extras in four installments for each vessel and the remaining amount of $33,688 plus extras for each vessel will be paid upon delivery of each vessel.

As of December 31, 2023, an amount of $47,566 related to capitalized costs is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

As of December 31, 2023, the Company's future minimum lease commitments under the Company's bareboat-in contracts for undelivered vessels, are as follows:

Year	Amount
2024	$ —
2025	773
2026	5,643
2027	17,050
2028	18,666
2029 and thereafter	144,163
Total	**$ 186,295**

NOTE 16 – FUTURE MINIMUM CONTRACTUAL REVENUE

The future minimum contractual lease income (charter-out rates are presented net of commissions and assume no off-hires days) as of December 31, 2023, is as follows:

Year	Amount
2024	$ 830,176
2025	605,990
2026	472,550
2027	387,613
2028	332,176
2029 and thereafter	478,117
Total	**$ 3,106,622**

NOTE 17 – TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

Vessel operating expenses: In August 2019, Navios Partners extended the duration of its Management Agreement with the Manager until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party.

Following the completion of the merger with Navios Containers, the fleet of Navios Containers is included in Navios Partners' owned fleet and continued to be operated by the Manager pursuant to the terms of the Navios Containers' management agreement with the Manager (the "NMCI Management Agreement").

Following the completion of the merger with Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet and continued to be operated by Tankers Manager pursuant to the terms of Navios Acquisition's management agreement with Tankers Manager (the "NNA Management Agreement" and together with the Management Agreement and the NMCI Management Agreement, the "Management Agreements").

The Managers provided commercial and technical management services to Navios Partners' vessels: (i) until December 31, 2021 vessel operating expenses were fixed for a daily fee of: (a) $4.35 per Ultra-Handymax Vessel; (b) $4.45 per Panamax Vessel; (c) $5.41 per Capesize Vessel; (d) $6.1 per Containership of TEU 1,300 up to 3,400; (e) $6.22 per Containership of TEU 3,450 up to 4,999; (f) $6.9 per Containership of TEU 6,800; (g) $7.78 per Containership of TEU 8,000 up to 9,999; (h) $8.27 per Containership of TEU 10,000 up to 11,999; (i) $6.83 per MR2 and MR1 product tanker and chemical tanker vessel; (j) $7.23 per LR1 product tanker vessel; and (k) $9.65 per VLCC; (ii) until December 31, 2022 vessel operating expenses were fixed for a daily fee of: (a) $4.48 per Ultra-Handymax Vessel; (b) $4.58 per Panamax Vessel; (c) $5.57 per Capesize Vessel; (d) $6.28 per Containership of TEU 1,300 up to 3,400; (e) $6.40 per Containership of TEU 3,450 up to 4,999; (f) $7.11 per Containership of TEU 6,800; (g) $8.01 per Containership of TEU 8,000 up to 9,999; (h) $8.52 per Containership of TEU 10,000 up to 11,999; (i) $7.03 per MR2 and MR1 product tanker and chemical tanker vessel; (j) $7.44 per LR1 product tanker vessel; and (k) $9.94 per VLCC; (iii) until December 31, 2023 vessel operating expenses were fixed for a daily fee of: (a) $4.62 per Ultra-Handymax Vessel; (b) $4.72 per Panamax Vessel; (c) $5.74 per Capesize Vessel; (d) $6.47 per Containership of TEU 1,300 up to 3,400; (e) $6.59 per Containership of TEU 3,450 up to 4,999; (f) $7.32 per Containership of TEU 5,000 up to 6,800; (g) $8.25 per Containership of TEU 8,000 up to 9,999; (h) $8.77 per Containership of TEU 10,000 up to 11,999; (i) $7.24 per MR2 and MR1 product tanker and chemical tanker vessel; (j) $7.67 per LR1 product tanker vessel; and (k) $10.24 per VLCC.

The Management Agreements also provide for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% of the fixed daily fee after January 1, 2022 for the remaining period unless agreed otherwise.

Pursuant to the acquisition of the 36-vessel drybulk fleet from Navios Holdings, which includes time charter-in vessels, Navios Partners and the Manager, on July 25, 2022, amended the Management Agreement to include a technical and commercial management fee of $0.025 per time charter-in vessel per day.

The Management Agreements also provide for payment of a termination fee, equal to the fixed daily fees and other fees charged for the full calendar year preceding the termination date in the event the agreements are terminated on or before its term.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2023, 2022 and 2021, certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation and other improvements under the Company's Management Agreements, amounted to $57,166, $18,901 and $11,408, respectively, and are presented under the caption "Acquisition of/ additions to vessels" in the Consolidated Statements of Cash Flows. During the years ended December 31, 2023, 2022 and 2021, additional remuneration in accordance with the Company's Management Agreements amounted to $4,730, $3,479 and $2,159, respectively, related to superintendent attendances and claims preparation and are presented under the captions of "Direct vessel expenses" in the Consolidated Statements of Operations, "Vessels, net", "Deferred dry dock and special survey costs, net" and "Prepaid expenses and other current assets" in the Consolidated Balance Sheets.

During the years ended December 31, 2023, 2022 and 2021, certain extraordinary crewing fees and costs amounted to $3,047, $11,262 and $5,811, respectively, and are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations.

During the year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $2,034 and are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Total vessel operating expenses for each of the years ended December 31, 2023, 2022 and 2021 amounted to $331,653, $312,022 and $191,449, respectively.

General and administrative expenses: Pursuant to the Administrative Services Agreement, the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. Under the Administrative Services Agreement, which provide for allocable general and administrative costs, the Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In August 2019, Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager until January 1, 2025, to be automatically renewed for another five years. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date in the event the Administrative Services Agreement is terminated on or before its term. During the years ended December 31, 2023 and 2022, allocable general and administrative costs recorded under the caption "Deposits for vessels acquisitions" amounted to $7,425 and $4,132, respectively, (see Note 2(j) – Summary of significant accounting policies).

Total general and administrative expenses charged by the Manager for each of the years ended December 31, 2023, 2022 and 2021 amounted to $59,946, $50,190 and $28,805, respectively.

Balance due from/ (to) related parties: Balance due from related parties long term as of December 31, 2023 and December 31, 2022 amounted to $39,570 and $41,403, respectively Balance due to related parties, short-term as of December 31, 2023 and December 31, 2022 amounted to $32,026 and $104,751, respectively. The balances mainly consisted of administrative expenses, drydocking, extraordinary fees and costs related to regulatory requirements including ballast water treatment system, other expenses, as well as fixed vessel operating expenses, in accordance with the Management Agreements.

Others: Navios Partners has entered into an omnibus agreement with Navios Holdings (the "Partners Omnibus Agreement") in connection with the closing of Navios Partners' IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

During the fourth quarter of 2023, the Company completed the sale of four inactive entities (previously vessel-owning entities) to an entity affiliated with the Company's Chairwoman and Chief Executive Officer, Angeliki Frangou, in consideration of nominal par value for the outstanding stock.

In October 2023, Navios Partners agreed to charter-out to its affiliate Navios South American Logistics Inc. the Navios Vega, following her modification to a transhipper vessel, for a period of five years at a rate of $25.8 net per day. This transaction was negotiated with, and unanimously approved by, the conflicts committee of Navios Partners. The vessel was delivered during the first quarter of 2024.

General partner: Olympos Maritime Ltd., an entity affiliated to our Chairwoman and Chief Executive Officer, Angeliki Frangou, is the holder of Navios Partners' general partner interest.

Acquisition of vessels:

2022

On July 26, 2022, the Company entered into a share purchase agreement to acquire a 36-vessel drybulk fleet for a purchase price of $835,000 including the assumption of bank liabilities, bareboat obligations and finance lease obligations, subject to debt and working capital adjustments, from Navios Holdings. On July 29, 2022, 15 of the 36 vessels were delivered to Navios Partners. On September 8, 2022, the remaining 21 vessels were delivered to Navios Partners.

2021

On July 9, 2021, Navios Partners acquired the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $30,003 (including $3 capitalized expenses).

On June 30, 2021, Navios Partners acquired the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt and the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt, from its affiliate, Navios Holdings, for an aggregate purchase price of $58,000.

On June 4, 2021, Navios Partners acquired the Navios Koyo, a 2011-built Capesize vessel of 181,415 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $28,567 (including $67 capitalized expenses).

On May 10, 2021, Navios Partners acquired the Ete N, a 2012-built Containership of 2,782 TEU, the Fleur N, a 2012-built Containership of 2,782 TEU and the Spectrum N, a 2009-built Containership of 2,546 TEU from Navios Acquisition, for an aggregate purchase price of $55,500.

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012-built Kamsarmax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Kamsarmax vessel of 81,472 dwt, from Navios Holdings, for an acquisition cost of $39,320 (including $70 capitalized expenses), including working capital balances of $(5,766).

NOTE 18 – CASH DISTRIBUTIONS AND EARNINGS PER UNIT

The amount of distributions paid by Navios Partners and the decision to make any distribution is determined by the Company's board of directors and will depend on, among other things, Navios Partners' cash requirements as measured by market opportunities and restrictions under its credit agreements and other debt obligations and such other factors as the Board of Directors may deem advisable. There is no guarantee that the Company will pay the quarterly distribution on the common units in any quarter. The Company is prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under its existing credit facilities.

There are incentive distribution rights held by Navios GP L.L.C., which are analyzed as follows:

(Expressed in thousands of U.S. Dollars except unit and per unit data)

		Marginal Percentage Interest in Distributions		
	Total Quarterly Distribution Target Amount	Common Unitholders	Incentive Distribution Right Holder	General Partner
Minimum Quarterly Distribution	up to $5.25	98%	—	2%
First Target Distribution	up to $6.0375	98%	—	2%
Second Target Distribution	above $6.0375 up to $6.5625	85%	13%	2%
Third Target Distribution	above $6.5625 up to $7.875	75%	23%	2%
Thereafter	above $7.875	50%	48%	2%

The first 98% of the quarterly distribution is paid to all common unitholders. The incentive distributions rights (held by Navios GP L.L.C.) apply only after a minimum quarterly distribution of $6.0375 per unit.

The authorized quarterly cash distributions for all quarters during the years ended December 2023, 2022 and 2021, are presented below:

Date	Authorized Quarterly Cash Distribution for the three months ended	Date of record of Common and General Partnership unit Unitholders	Payment of Distribution	$/ Unit	Amount of the declared distribution
January 2021	December 31, 2020	February 9, 2021	February 12, 2021	$ 0.05	$ 579
April 2021	March 31, 2021	May 11, 2021	May 14, 2021	$ 0.05	$ 1,127
July 2021	June 30, 2021	August 9, 2021	August 12, 2021	$ 0.05	$ 1,368
October 2021	September 30, 2021	November 8, 2021	November 12, 2021	$ 0.05	$ 1,541
January 2022	December 31,2021	February 9, 2022	February 11, 2022	$ 0.05	$ 1,541
April 2022	March 31, 2022	May 9, 2022	May 12, 2022	$ 0.05	$ 1,541
July 2022	June 30, 2022	August 9, 2022	August 12, 2022	$ 0.05	$ 1,541
October 2022	September 30, 2022	November 8, 2022	November 10, 2022	$ 0.05	$ 1,540
January 2023	December 31,2022	February 10, 2023	February 14, 2023	$ 0.05	$ 1,540
April 2023	March 31, 2023	May 9, 2023	May 12, 2023	$ 0.05	$ 1,540
July 2023	June 30, 2023	August 8, 2023	August 11, 2023	$ 0.05	$ 1,540
October 2023	September 30, 2023	November 7, 2023	November 13, 2023	$ 0.05	$ 1,540
February 2024	December 31, 2023	February 12, 2024	February 14, 2024	$ 0.05	$ 1,540

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Navios Partners calculates earnings/(losses) attributable to Navios Partners' unitholders per unit by allocating reported net income/(loss) attributable to Navios Partners' unitholders for each period to each class of units based on the distribution waterfall for available cash specified in Navios Partners' partnership agreement, net of the unallocated earnings (or losses). Basic earnings/(losses) attributable to Navios Partners' unitholders per common unit is determined by dividing net income/(loss) attributable to Navios Partners common unitholders by the weighted average number of common units outstanding during the period. Diluted earnings attributable to Navios Partners' unitholders per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units. Net earnings/(loss) attributable to Navios Partners' unitholders per unit undistributed is determined by taking the distributions in excess of net income/(loss) and allocating between common units and general partnership units on a 98%-2% basis. There were no options or phantom units outstanding during each of the years ended December 31, 2023, 2022 and 2021.

The calculations of the basic and diluted earnings per unit are presented below.

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Net income attributable to Navios Partners' unitholders	$ 433,645	$ 579,247	$ 516,186
Income attributable to:			
Common unitholders	$ 424,974	$ 567,662	$ 505,862
Weighted average units outstanding basic			
Common unitholders	30,183,428	30,155,148	22,620,324
Earnings per unit basic:			
Common unitholders	$ 14.08	$ 18.82	$ 22.36
Weighted average units outstanding diluted			
Common unitholders	30,184,388	30,156,149	22,663,240
Earnings per unit diluted:			
Common unitholders	$ 14.08	$ 18.82	$ 22.32
Earnings per unit distributed basic:			
Common unitholders	$ 0.20	$ 0.20	$ 0.20
Earnings per unit distributed diluted:			
Common unitholders	$ 0.20	$ 0.20	$ 0.20
Earnings per unit undistributed basic:			
Common unitholders	$ 13.88	$ 18.62	$ 22.16
Earnings per unit undistributed diluted			
Common unitholders	$ 13.88	$ 18.62	$ 22.12

Potential common units of 0, 1,001 and 42,916 for the years ended December 31, 2023, 2022 and 2021, respectively are included in the calculation of earnings attributable to Navios Partners' unitholders per unit diluted.

NOTE 19 – OTHER INCOME

In October 2023, Navios Partners agreed to terminate the charter parties of the Protostar N, a 2007-built 2,741 TEU containership, and the Navios Spring, a 2007-built 3,450 TEU containership, with a minimum charter period until October 2025 and April 2025, respectively, against a compensation of $52,463 for the early termination, which is presented under the caption "Other income" in the Consolidated Statements of Operations.

NOTE 20 – LEASES

Time charter out contracts and pooling arrangements

The Company's contract revenues from time chartering, bareboat chartering and pooling arrangements are governed by ASC 842.

Operating Leases

In November 2017, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, the Navios Libra, a newbuilding Kamsarmax vessel of 82,011 dwt, delivered on July 24, 2019. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and an operating lease right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability. Navios Partners agreed to pay in total $5,540, representing a deposit for the option to acquire the vessel after the end of the fourth year, of which the first half of $2,770 was paid during the year ended December 31, 2017 and the second half of $2,770 was paid during the year ended December 31, 2018. As of December 31, 2023, the total amount of $6,207, including expenses, is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

On October 18, 2019, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract each, from an unrelated third party, the Navios Amitie and the Navios Star, two newbuilding Kamsarmax vessels of 82,002 dwt and 81,994 dwt, respectively. The vessels were delivered in Navios Partner’s fleet on May 28, 2021 and June 10, 2021, respectively. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability. Navios Partners had agreed to pay in total $12,328, representing a deposit for the option to acquire the vessels after the end of the fourth year, of which $1,434 was paid during the year ended December 31, 2019, $10,034 was paid during the year ended December 31, 2020, and the remaining amount of $860 was paid upon the delivery of the vessels. As of December 31, 2023, the total amount of $13,158, including expenses, is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners took delivery of two 12-year bareboat charter-in vessels, with de-escalating purchase options, the Baghdad, a 2020-built Japanese VLCC of 313,433 dwt and the Erbil, a 2021-built Japanese VLCC of 313,486 dwt. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability. As of December 31, 2023, the total amount of $1,769 is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

In the first quarter of 2019, Navios Acquisition exercised its option to a 12-year bareboat charter-in agreement with de-escalating purchase options for the Nave Electron, a newbuilding Japanese VLCC of 313,239 dwt. On August 30, 2021, Navios Partners took delivery of the Nave Electron. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. The Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability. As of December 31, 2023, the total amount of $1,574 is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

In the second quarter of 2020, Navios Acquisition exercised its option for the Nave Celeste, a newbuilding Japanese VLCC of 313,418 dwt under a 12-year bareboat charter agreement with de-escalating purchase options. On July 5, 2022, Navios Partners took delivery of the Nave Celeste. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and an operating lease right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability. As of December 31, 2023, the total amount of $1,050 is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners recognized the following operating leases:

On July 29, 2022, Navios Partners took delivery of the Navios Horizon I, a 2019-built Kamsarmax vessel of 81,692 dwt for a remaining one-year charter-in agreement, the Navios Gemini, a 2018-built Kamsarmax vessel of 81,704 dwt for a remaining one-year charter-in agreement, the Navios Venus, a 2015-built Handymax vessel of 61,339 dwt for a remaining two-year charter-in, and the Navios Lyra, a 2012-built Handysize vessel of 34,718 dwt, for a remaining one-year charter-in agreement, all with de-escalating purchase options. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. Consequently, the Company has recognized for each vessel an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability, increased with the allocated excess value, adjusted for (i) the carrying amount of the straight-line effect of the liability (if any) and (ii) the favorable and unfavorable lease terms derived from the charter-in agreements.

Based on management estimates and market conditions, the lease term of the leases is being assessed at each balance sheet date. At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment. The Company then applies the respective incremental borrowing rate based on the remaining lease term of the specific lease. Navios Partners' incremental borrowing rates were approximately 7% for the Navios Libra and the Nave Celeste, 5% for the Navios Amitie and the Navios Star, 6% for the Baghdad, the Erbil, and the Navios Venus, and 4% for the Nave Electron.

As of December 31, 2023 and December 31, 2022 the outstanding balance of the operating lease liability amounted $270,738 and $311,115, respectively, and is presented under the captions "Operating lease liabilities, current portion" and "Operating lease liabilities, net" in the Consolidated Balance Sheets. Right-of-use assets amounted $270,969 and $323,048 as at December 31, 2023 and December 31, 2022, respectively, and are presented under the caption "Operating lease assets" in the Consolidated Balance Sheets.

The Company recognizes the lease payments for its operating leases as charter hire expenses on a straight-line basis over the lease term. Lease expense incurred and paid for the years ended December 31, 2023, 2022 and 2021 amounted to $66,733, $50,972, and $12,757, respectively, and is presented under the caption "Time charter and voyage expenses" in the Consolidated Statements of Operations.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

For the years ended December 31, 2023, 2022 and 2021, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to $82,642, $86,580 and $36,305, respectively. Sublease income is presented under the caption "Time charter and voyage revenues" in the Consolidated Statements of Operations.

As of December 31, 2023, the management of the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment of one of Navios Partners' operating lease assets might exist. These indicators included volatility in the charter market as well as the potential impact the current market place may have on the Company's future operations. As a result, a recoverability test of operating lease assets was performed.

During the year ended December 31, 2023, an impairment loss of $2,784, measured based on the fair value of the lease asset (See Note 12 – Fair value of financial Instruments),was recognized in connection with the Navios Venus, as her carrying amount was not recoverable and exceeded her undiscounted projected net operating cash flows, as described above, and is presented under the caption "Gain on sale of vessels, net" in the Consolidated Statements of Operations.

As of December 31, 2022 and December 31, 2021, the management of the Company has considered various indicators, and concluded that events and circumstances did not trigger the existence of potential impairment of its operating lease assets and that recoverability test was not required. As a result, there was no impairment charge for each of the years ended December 31, 2022 and December 31, 2021.

As of December 31, 2023, the weighted average useful life of the remaining operating lease terms was 9.0 years.

The table below provides the total amount of lease payments on an undiscounted basis on the Company's chartered-in contracts as of December 31, 2023:

Year ending December 31,		**Amount**
2024	$	44,459
2025		38,362
2026		38,251
2027		37,463
2028		36,981
2029 and thereafter		149,435
Total	**$**	**344,951**
Operating lease liabilities, including current portion	**$**	**270,738**
Discount based on incremental borrowing rate	**$**	**74,213**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Finance Leases

For a detailed description of the finance lease liabilities and right-of-use assets for vessels under finance leases, refer to Note 11 – Borrowings and Note 7 – Vessels, net, respectively.

For the years ended December 31, 2023, 2022 and 2021 the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to $87,356, $40,936 and $0, respectively. Sublease income is presented under the caption "Time charter and voyage revenues" in the Consolidated Statements of Operations.

As of December 31, 2023, the management of the Company has considered various indicators, and concluded that events and circumstances did not trigger the existence of potential impairment of its finance lease assets and that recoverability test was not required. As a result, there was no impairment charge for the year ended December 31, 2023.

As of December 31, 2022, the management concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' finance lease assets might exist. These indicators included volatility in the charter market as well as the potential impact the current marketplace may have on the Company's future operations. As a result, a recoverability test of finance lease assets was performed. No impairment loss was recognized as of December 31, 2022.

As of December 31 2023, the weighted average useful life of the remaining finance lease terms was 8.7 years.

The table below provides the total amount of lease payments and options to acquire vessels on an undiscounted basis under the Company's finance leases as of December 31, 2023:

Year ending December 31,		**Amount**
2024	$	86,159
2025		122,290
2026		36,535
2027		36,108
2028		35,812
2029 and thereafter		329,157
Total	**$**	**646,061**
Finance lease liabilities, including current portion (see Note 11– Borrowings)	**$**	**468,414**
Discount based on incremental borrowing rate	**$**	**177,647**

Bareboat charter-out contract

Subsequently to the bareboat charter-in agreement, the Company entered into bareboat charter-out agreements for a firm charter period of ten years for the Baghdad and the Erbil and an extra optional period of five years, for both vessels, and for a firm period of up to two-years for the Nave Celeste. The Company performed also an assessment of the lease classification under the ASC 842 and concluded that the agreements are operating leases.

The Company recognizes in relation to the operating leases for the bareboat charter-out agreements the bareboat charter-out hire income in the Consolidated Statements of Operations on a straight-line basis. As of December 31, 2023, 2022 and 2021, the charter hire income (net of commissions, if any) amounted to $32,018, $26,419 and $7,031, respectively, and is presented under the caption “Time charter and voyage revenues” in the Consolidated Statements of Operations.

NOTE 21 – SUBSEQUENT EVENTS

In January 2024, Navios Partners took delivery of the Zim Eagle, a 2024-built 5,300 TEU containership (See Note 15 – Commitments and contingencies).

In January 2024, Navios Partners agreed to sell the Nave Spherical, a 2009-built VLCC of 297,188 dwt, and the Navios Orbiter, a 2004-built Panamax of 76,602 dwt, to unrelated third parties. In March 2024, Navios Partners agreed to sell the Navios Spring, a 2007-built Containership of 3,450 TEU, to an unrelated third party. The aggregate gross sale proceeds of the above vessels amounted to $80,050 and the aggregate gain on sale is expected to be approximately $20,211. The sale of the Navios Orbiter was completed on March 4, 2024 and the sales of the Nave Spherical and the Navios Spring are expected to be completed during the first half of 2024.

In January 2024, Navios Partners entered into a new credit facility with a commercial bank for up to $40,000 in order to refinance three tankers. The credit facility: (i) matures five years after the drawdown date; and (ii) bears interest at Compounded SOFR plus 195 bps per annum. The full amount was drawn in March 2024.

In January 2024, Navios Partners entered into a sale and leaseback agreement of up to $45,260 with an unrelated third party, in order to finance the acquisition of one 115,000 dwt Aframax/LR2 newbuilding tanker. The sale and leaseback agreement matures seven years after the drawdown date and bears interest at Term SOFR plus 190 bps per annum.

In February 2024, Navios Partners entered into a sale and leaseback agreement of $16,800 with an unrelated third party for the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt. The sale and leaseback agreement matures in the first quarter of 2030 and bears interest at Term SOFR plus 225 bps per annum.

In March 2024, Navios Partners declared its options to purchase the Navios Amber, a 2015-built Kamsarmax vessel of 80,994 dwt, the Navios Coral, a 2016-built Kamsarmax vessel of 84,904 dwt, the Navios Citrine, a 2017-built Kamsarmax vessel of 81,626 dwt, and the Navios Dolphin, a 2017-built Kamsarmax vessel of 81,630 dwt, (previously charterer-in vessels) for an aggregate amount of approximately $116,573, based on the earliest delivery date.

During the first quarter of 2024, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding scrubber-fitted tankers, from an unrelated third party, for a purchase price of $61,250 each (plus $3,300 per vessel in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2027.

SIGNATURES

The registrant herby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NAVIOS MARITIME
PARTNERS L.P.

By:/s/ Angeliki Frangou

Angeliki Frangou

Chief Executive Officer

Date: April 3, 2024

'BARECON 2001" STANDARD BAREBOAT CHARTER PART1

1. Shipbroker **Mitsui & CO.LTD**	**BIMCO STANDARD BAREBOAT CHARTER** **CODE NAME : "BARECON 2001"** PART I
	2. Place and date **At _____19th____on October 2023**
3. Owners / Place of business (Cl. 1) **BLUE WAVE LINE INC. guaranteed by Shiba Kaiun Co., Ltd.**	4. Bareboat Charterers / Place of business (Cl. 1) **Atokos Shipping Corporation of the Marshall Islands**
5. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3) NAVIOS HORIZON I, IMO No. 9836385	
6. Type of Vessel 81,692 DWT Bulk Carrier,	7. GT / NT **GT : 43206 tons** **NT : 27444 tons**
8. When / Where built **TSUNEISHI HEAVY INDUSTRIES (CEBU), INC. on 11th January 2019**	9. Total DWT (abt.) in metric tons on ~~summer freeboard~~ **81,692 M.T.**
10. Classification Society (Cl. 3) **Nippon Kaiji Kyokai (NK)**	11. Date of last special survey by the Vessel's classification society **N/A**
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 See Also Clause 32.** / 15. Cancelling date (Cl.5) **As per Clause 5 of the MOA**
16. Port or Place of redelivery (Cl. 3) **See Clause 15**	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) **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 country/place designated pursuant to any applicable, now or in the future, international laws or supranational laws or other regulations, imposing trade and economic sanctions, prohibitions or restrictions shall always be excluded..**	
21. Charter Period (Cl. 2) **Twelve (12) years plus/minus 60 days 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) **To be advised**	27. Bank guarantee / bond (sum and place) (Cl. 24 (optional) **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**	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 / English Law**
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 ~~Building~~ 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) **N/A** See Clause 37(d)
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) **N/A** See Clause 37 (d)	45. Country of the Underlying Registry (only to be filled in if PART V applies) **N/A**
46. Number of additional clauses covering special provisions, if agreed **Clause 32 to 60 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) . **...../s/ Daisuke Shiba.....** **By: Daisuke Shiba** **Title: President**	Signature (Charterers) **...../s/ Alexandra Kontai.....** **By: Alexandra Kontaxi** **Title:**

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 Charterers as sellers (the "Sellers") dated _____ 2023 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)

Charter Period

2. 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").

Delivery Also See Clause 32

The Vessel shall be delivered and taken over by the Charterers as per Clause 32.

3. *(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.

Time for Delivery See Clause 32

(not applicable when PART III applies, as indicated in Box 37)

4. 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.

Cancelling

(not applicable when PART III applies, as indicated in Box 37)

5.

(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall 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.

Surveys on Delivery and Redelivery

7. *(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.

Inspection See Clause 59

8. The Owners shall have the right **maximum once per year**at any time after giving reasonable **1 month prior** 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/itinerary 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

~~have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running~~

~~(c) for any other commercial reason they consider necessary (provided it does not unduly interferer 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 once 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.

Inventories, Oil and Stores SEE CLAUSE 53

9. ~~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**

Maintenance and Operation

10. (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(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

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

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 Charterers's standard from as the Owners *have received, reviewed and* shall in writingapproved, 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).

PART II
"BARECON 2001" Standard Bareboat Charter

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull	~~(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.

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.

(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

(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 he 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 CLAUSE48**

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~~

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.

at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.

(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, 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

27. redelivery.

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

28. brokerage on one year's hire.

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.

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 hold the Vessel as gratuitous bailee only to the Owners.

29. 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.

Dispute Resolution

30. *)

(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 conduced 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.~~

OPTIONAL PART

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.

Time and Place of Delivery – SEE CLAUSE 33

2. (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.

OPTIONAL PART

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 Maser, 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.

OPTIONAL PART

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.

Additional Clauses

to

the Bareboat Charter Party dated **19th October 2023** (this "Charter") by

BLUE WAVE LINE INC. as owner (the "Owners") and

Atokos Shipping Corporation. as charterer (the "Charterers")

in respect of MV "**NAVIOS HORIZON I"** (the "Vessel")

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by the Sellers (as defined in Clause 1 of this Charter) 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) In the event that the Vessel is not delivered to Owners under the MOA for any reason, this Charter shall automatically terminate.

(c) 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 **AWA BANK. and The Shoko Chukin Bank, Ltd.** (respectively the "**Mortgagee**").

(d) 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 12 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 60 days 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

Monthly Hire Rate

After the delivery of Vessel, the Charterers shall pay the hire monthly in advance for the Charter Period, which consist of (i) Monthly Fixed Hire, (ii) Monthly Variable Hire:

(i) Monthly Fixed Hire (same as Owners' loan principal repayment based on 12 years equal monthly repayment schedule with US$2,000,000 balloon) is the sum of US$ 144,444. for Vessel, which is equal to one hundred forty forth (1/144) of the initial Charter Principal Balance minus US$2,000,000.balloon.

(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 (2.2% + one (1) month CME Term SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable one (1) month CME Term SOFR to be confirmed fourteen (14) Banking Days prior to hire due date (The both parties to discuss again about the exact date when the date for delivery of the vessel gets closer.). 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 such due date.

Charter Principal Balance means US$22,800,000.- less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners for Vessel.

Should the CME Term SOFR fail to negative interest rate, zero (0) is to be applied as CME Term SOFR.

Should the CME Term SOFR is abolished, alternate indicator shall be discussed, agreed between both party and applied to this calculation.

“Banking Day” shall mean a day on which banks are open in Japan, Piraeus/Greece, Germany, London and New York.

Hire to be payable monthly in advance into the Owners designated account as the fund available on the due date.

No address commission to Charterers.

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 bank account in the name of the Owners established and maintained in THE AWA BANK, LTD. Komatsushima Officeas more specifically notified later by the Owners in writing (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 (as defined in Clause 35 hereof) 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 Three(3) 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 Secured Overnight Financing 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 The New York Federal Reserve). 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. The Owners and Charterers agree to keep the Panamanian flag during the Charter Period, subject to Clause 37(c).

(b) The Owners shall have no right 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 Nippon Kaiji Kyokai to any other classification society at least equivalent to Nippon Kaiji Kyokai.

(c) Further, in the event that the Charterers need to change the flag of the Vessel for its commercial or operational reason, the Charterers can change the flag with the prior written Owner's consent, which should not be unreasonably withheld, provided however that:

(i) the Owners may reject such change of flag if the proposed flag will cause any problem for the Mortgagee (in the reasonable opinion of the Mortgagee);

(ii) the Owners shall have the right to take redelivery the Vessel under the Panamanian flag, and accordingly If the Vessel is redelivered to the Owners without the purchase by the Charterers under Clause 49 hereof and she is then under the flag of any state other than Panama, on demand, the Owners may change such flag to the Panamanian flag so that the Owners may take redelivery of the Vessel under the Panamanian flag (in which case the Charterer shall cooperate with the Owners for change to the Panamanian flag); and

(iii) any expenses and time (including, but not limited to, legal charges for finance documents for the Mortgagee) in relation to change of flag (including change to the Panamanian flag) shall be for the Charterers 'account.

(d) With the prior written consents of the Owner and the Mortgagee (which shall not be unreasonably withheld) and subject to the Charterers' supplying the standard de-registration agreement reasonably satisfactory to the Mortgagee, the Charterers are entitled to establish the standard bareboat charter registration on the Vessel at the costs, expense (including but not limited to legal charges for finance documents for the Mortgagee, if any) and time of the Charterers.

(e) If during the Charter Period there are modifications made to the Vessel which are compulsory for the Vessel to comply with change to rules and regulations 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) The Owners will arrange the Vessel's registration under Panama flag and recordation of their mortgage and for the issuance of all Vessel's initial certificates of the flag at the Owners' cost. Thereafter the Charterers are responsible to arrange for the renewal of such certs at the Charterers' cost throughout the Charter Period

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.

In the event of any structural modifications to Vessel or installation of new equipment becoming necessary for the continued operation of Vessel by reason of new class regulations or by compulsory legislation to which operation of Vessel is required to conform, the cost of such compulsory modifications shall be for the Charterers' account.

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);
- provide survey status of the Vessel to the Owners when they request it.

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 the first class 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 in favour of the Mortgagee (as defined in this Additional Clause 32) as 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 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 which shall not be unreasonably withheld be paid in full to the Charterers or their order without any deduction whatsoever.

(iv)

(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 Two Million (US$2,000,000.00) 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 Two million (US$2,000,000.00) 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 addressed to the Mortgagee 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) Year	(b) Minimum Insured Value (USD)
1	$ 25,080,000.00
2	$ 23,173,333.34
3	$ 21,266,666.66
4	$ 19,360,000.00
5	$ 17,453,333.34
6	$ 15,546,666.66
7	$ 13,640,000.00
8	$ 11,733,333.34
9	$ 9,826,666.66
10	$ 7,920,000.00
11	$ 6,013,333.34
12	$ 4,106,666.66

(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 Clause25 (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 "Termination Amount" (defined below) as at the Date of Loss, and

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

"Termination Amount" shall mean:

(A) in case that Date of Loss is at or after the end of 4th year of the Charter Period, the Termination Amount shall be equal to the Purchase Option Price payable under Clause 49 which shall be calculated based on the Date of Loss; and

(B) in case that the Date of Loss is before the 4th year of the Charter Period, the Termination Amount shall be as follows:

(date)	(amount)
as at the Delivery Date:	USD 24,550,000
at the end of 1st year of the Charter Period:	USD 22,741,666
at the end of 2nd year of the Charter Period:	USD 20,933,333
at the end of 3rd year of the Charter Period:	USD 19,125,000

provided that, in relation to (B), if Date of Loss is between the two dates as specified above, then the Termination Amount shall be adjusted proportionally on the basis of 360 days a year.

(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 or within ten (10) Banking Days following the due date of payment and such failure to pay is not remedied within three (3) 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 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 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) (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 ninety (90) days (or such longer period as the Owners shall reasonably agree in the light of all the circumstances) of the date on which the Vessel has been arrested or detained, or (b) if any petition of any public auction or other sale proceeding (following such arrest or detention) is filed or such proceeding is commenced or ordered by the competent court or other authority (except that the Charterer promptly contested in good faith and which is continuing),

(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 ninety (90) 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) A 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, 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 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 Termination Amount (as defined in Clause 40(e)) to be calculated based on the Termination Date **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Termination Amount, 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 sale price less (ii) the aggregate of the unpaid Termination Compensation and the Termination Amount (as defined in Clause 40(e)) which would be payable by the Charterers as set out in Clause 49 as at the date of such sale (which shall include, for the avoidance of doubt, any costs and expenses incurred by the Owners arising from or in relation to the termination and the re-possession of the Vessel and operation, repair (as the case may be) and such sale of the Vessel).

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, unless otherwise expressly permitted herein.

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 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 of Quiet Enjoyment in a form and substance 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 of Quiet Enjoyment in favour of the Charterers in the same form as that provided by the Mortgagee or the form 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 acceptable to Charterers and the Assignee.

Owners shall procure that any mortgage and charterhire assignment shall be subject to this Charter and to the rights of the Charterers hereunder, in accordance with, and subject to, a Letter 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 of quiet enjoyment in such form and content as is reasonably acceptable to the Charterers, and the effectiveness of this assignment clause is subject to the agreement of a letter of Quiet Enjoyment on or before delivery of the Vessel.

The Charterers shall not assign charter nor sub-charter Vessel on a bareboat basis except with the prior consent in writing of the Owners, which shall not be unreasonably withheld. Such Owners' prior written consent will not be required provided that Vessel remain at all times under the management of Navios Shipmanagement Inc. or an affiliate of Navios Shipmanagement Inc. or of Angeliki Frangou Furthermore, the Charterers may assign or transfer the charter by way of novation to a subsidiary or affiliate of Navios Maritime Holdings Inc without Owners' prior written consent, in which case, (i) the Charterers, the Owners and such new charterers as permitted under this Clause shall enter into a novation agreement on or before such novation at the Charterers' cost and (ii) new assignment of insurances and assignment of charterhires as mentioned above and an amendment of the Mortgage (as the case may be) shall be made in favour of the Mortgagee at the Charterers' cost.

45. REDELIVERY INSPECTION

Prior to redelivery 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. 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 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 keep prominently displayed in the chart room, engine room and the master's cabin of the Vessel a framed printed notice in plain type (the print on which shall measure at least six inches by nine inches) reading as follows:-

NOTICE OF MORTGAGE

"This Vessel is covered by a First Preferred Ship Mortgage given to THE AWA BANK, LTD. a banking corporation duly organized and existing under the laws of Japan, having its head office at 24-1,NISHI SEMBACHO 2CHOME,TOKUSHIMA CITY,TOKUSHIMA,JAPAN, Japan, acting through its KOMATSUSHIMA Office at 7-14, MATSUSHIMACHO, KOMATSUSHIMA CITY, TOKUSHIMA, JAPAN, THE SHOKO CHUKIN BANK, LTD., a banking corporation duly organized and existing under the laws of Japan, having its head office at 2-10-17, YAESU, CHUO-KU, TOKYO, Japan, acting through its TOKUSHIMA BRANCH at 2-30, NISHI SEMBACHO, TOKUSHIMA CITY, TOKUSHIMA, 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. From (and including) the end of 4th year of the Charter Period, the Charterers have the option to purchase the Vessel at the following purchase price. The Charterers' purchase option is subject to Charterers' written declaration to the Owners latest three (3) months prior to the expected date of delivery, such date to be indicated by the Charterers in their declaration notice (such purchase option price at such expected date of delivery indicated in the declaration notice as calculated by the following formula, being called the "**Purchase Option Price**").

   The Purchase Option Price shall be calculated in accordance with the following formula:

   "Purchase Option Price = (A) + (B)"

   (A) = Charter Principal Balance

   (B) = Owners' profit starting from US$1,450,000. at the end of 4th year and de-escalate US$75,000/year to the end of 12th year

2. The Purchase Option Price shall be paid in full free of bank charges to the Owners (as seller) upon the delivery date of the Vessel under this Clause.

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.

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 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 Shiba Kaiun Co., Ltd.

Address:	**39-4, Iwado, Ohayashicho, Komatsushima Shi, Tokushima**, Japan
Telephone :	0885-38-0312
Telefax :	-
E-mail :	shibakaiun2007@ec3.technowave.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 :	legal@navios.com, tech@navios.com legal_corp@navios.com ops@navios.com

(iii) in the case of the Brokers c/o Mitsui & Co., Ltd.

Address:	1-3, Marunouchi 1-Chome, Chiyodaku, Tokyo 100-8631, Japan
Telephone :	+81-3-3285-4452
Telefax :	
E-mail :	tkmyh@dg.mitsui.com

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 and again on redelivery of the Vessel.

The Owners shall at the time of 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 Charterers' purchased prices with supporting vouchers. 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.

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 national or international law or regulation imposing trade or economic 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-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.

57 COSTS AND EXPENSES

(a) The parties hereto agree that all operational cost including required cost in relation to Vessel's flag (such as tonnage tax, insurance and crew certs etc) would be for the Charterers' account. However, all other cost (such as financing cost /cost for registration and discharge of their mortgage etc) would be for the Owners' account.

(b) For this Charter and the MOA, each party should bear its own costs unless otherwise agreed herein.

58 BBC SURVEY (Further to Clause 8)

1. In case the Vessel has any incidents/casualties, Owners have the right to carry out physical inspection more than once per year at Owners' expense. Charterers will do their best to organize the timing and place based on Owners' preferred timing. Charterers tech and OPS will organize accordingly. Owners shall have the right to visit the Vessel at dry-dock after the completion of DD works.

59 SANCTION

(1) In this Clause, the following provisions shall apply where any sanction, prohibition or restriction is imposed on any specified persons, entities or bodies including the designation of any specified vessels or fleets under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union, United States of America, United Kingdom, Panama, Japan, the Flag State of the Vessel and/or the Marshall Islands.

(2) The Owners and the Charterers hereby represent and warrant to each other that as of the even date hereof, they have never received any notice of legal proceedings or investigation in relation to the sanctions, restrictions or designation referred to in sub-clause (1) and have never acknowledged existence of such legal proceedings or investigation.

(3) The Owners hereby warrants that at the date of entering into this Agreement and during the currency of this Charter:

(i) none of the Owners, their directors and officers is subject to any of the sanctions, prohibitions, restrictions or designation referred to in sub-clause (1) which prohibit or render unlawful any performance by the Charterers and/or the Owners under this Charter;

(ii) the Owners are letting and performing other obligations hereunder as principals and not as agent, trustee or nominee of any person with whom transactions are prohibited or restricted under sub-clause (1); and

(iii) the Owners will promptly inform the Charterers of receipt of any notice of proceeding or investigation referred to in sub-clause (2) and send the copy of such notice and any relevant documents they have received in relation thereto.

(4) The Charterers hereby warrants that at the date of entering into this Agreement and during the currency of this Charter:

(i) none of the Charterers, the management company under Clause 58 hereof, their respective directors and officers is subject to any of the sanctions, prohibitions, restrictions or designation referred to in sub-clause (1) which prohibit or render unlawful any performance by the Charterers and/or the Owners under this Charter; the Charterers are hiring and performing other obligations hereunder as principals and not as agent, trustee or nominee of any person with whom transactions are prohibited or restricted under sub-clause (1);

(ii) the Vessel is not a designated vessel under any of the sanctions, prohibitions, restrictions or designation referred to in sub-clause (1);

(iii) the Charterer will promptly inform the Owners of receipt of any notice of proceeding or investigation referred to in sub-clause (2) and send the copy of such notice and any relevant documents they have received in relation thereto; and

(iv) on demand the Charterers will provide the Owners of all Relevant Documents in relation to the Vessel and/or the cargo on board the Vessel. In this paragraph (v), “Relevant Documents” shall mean (A) such documents as required to prove that the Charterers are not in breach of the sanctions, prohibitions, restrictions or designation referred to in sub-clause (1) and/or (B) such documents as required for the Owners and/or the Mortgagee to disclose to any competent authority in relation to the sanctions, prohibitions, restrictions or designation referred to in sub-clause (1), provided that the Relevant Documents shall be reasonably and practicably obtainable to the Charterers.

60. DOWN PAYMENT

The Charterers shall pay USD5,700,000 to the Owners as down payment to the Purchase Option Price upon delivery of the Vessel. The down payment will be netted off against payment of the purchase price under the MEMORANDUM OF AGREEMENT signed by Atokos Shipping Corporation and BLUE WAVE LINE INC..dated on 19th October 2023 (herein called "MOA") at the time of delivery of the Vessel under the MOA and this Charter pursuant to clause 32.

The Down Payment is not part of the Purchase Option Price of Clause 49 and shall be kept by the Owners on delivery of the Vessel under the PO MOA referred to in Clause 49.

The down payment does not bear interest and is non-refundable.For the avoidance of any doubt, should the Charter be terminated due to Total Loss, the Owners shall make the payment referred to in Clause 40, but shall have no obligation to make any refund to the Charterers in respect of the Down payment.

62. NAABSA Clause

The Vessel may lie safely aground at any safe berth or safe place where it is customary and safe for vessels of similar size and type to lie.

(end)

Exhibit 4.73

Dated 3 January 2024

$40,000,000

TERM LOAN FACILITY

OINOUSSES SHIPPING CORPORATION
PSARA SHIPPING CORPORATION and
TINOS SHIPPING CORPORATION
as joint and several Borrowers and Hedge Guarantors

and

THE FINANCIAL INSTITUTIONS
listed in Part B of Schedule 1
as Lenders

and

NORDEA BANK ABP, FILIAL I NORGE
as Mandated Lead Arranger and Bookrunner

and

NORDEA BANK ABP, FILIAL I NORGE
as Facility Agent

and

NORDEA BANK ABP, FILIAL I NORGE
as Security Agent

FACILITY AGREEMENT

relating to
the refinancing of existing indebtedness secured over three tanker vessels
and for providing general corporate and working capital

WATSON FARLEY
&
WILLIAMS

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THIS AGREEMENT is made on 3 January 2024

PARTIES

(1) **OINOUSSES SHIPPING CORPORATION**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 as a borrower ("**Borrower A**")

(2) **PSARA SHIPPING CORPORATION**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 as a borrower ("**Borrower B**")

(3) **TINOS SHIPPING CORPORATION**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 as a borrower ("**Borrower C**")

(4) **THE COMPANIES** listed in Part B of Schedule 1 (*The Parties*) as hedge guarantors (the "**Hedge Guarantors**")

(5) **THE FINANCIAL INSTITUTIONS** listed in Part C of Schedule 1 (*The Parties*) as lenders (the "**Original Lenders**")

(6) **THE FINANCIAL INSTITUTIONS** listed in Part C of Schedule 1 (*The Parties*) as hedge counterparties (the "**Original Hedge Counterparties**")

(7) **NORDEA BANK ABP, FILIAL I NORGE** as agent of the other Finance Parties (the "**Facility Agent**")

(8) **NORDEA BANK ABP, FILIAL I NORGE** as security agent for the Secured Parties (the "**Security Agent**")

(9) **NORDEA BANK ABP, FILIAL I NORGE** as mandated lead arranger (the "**Mandated Lead Arranger**")

(10) **NORDEA BANK ABP, FILIAL I NORGE** as bookrunner (the "**Bookrunner**")

BACKGROUND

(A) The Lenders have agreed to make available to the Borrowers a senior secured term loan facility in an aggregate principal amount of up to the lesser of (i) $40,000,000 and (ii) 50 per cent. of the aggregate Initial Market Value of the Ships for the purpose of refinancing the Existing Indebtedness secured on the Ships and for general corporate purposes.

(B) The Hedge Counterparties may enter into interest rate swap transactions with the Borrowers from time to time to hedge the Borrowers' exposure under this Agreement to interest rate fluctuations.

OPERATIVE PROVISIONS

SECTION 1

INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Account Bank**" means NORDEA BANK ABP, FILIAL I NORGE, acting through its office at Essendrops Gate 7, Postboks, 1166, Sentrum, 0107, Oslo, 920058817 MVA (Norwegian Register of Business Enterprise), Norway or any replacement bank or other financial institution as may be approved by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Account Security**" means a document creating Security over the Earnings Accounts in agreed form.

"**Additional Business Day**" means any day specified as such in the Reference Rate Terms.

"**Additional Hedge Counterparty**" means a bank or financial institution which becomes a Hedge Counterparty in accordance with Clause 27.8 (*Additional Hedge Counterparties*).

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Annex VI**" means Annex VI of the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto.

"**Approved Brokers**" means any firm or firms of insurance brokers approved in writing by the Facility Agent, acting with the authorisation of the Majority Lenders.

"**Approved Classification**" means, in relation to a Ship, as at the date of this Agreement, the classification in relation to that Ship specified in Schedule 8 (*Details of the Ships and other definitions*) with the relevant Approved Classification Society or the equivalent classification with another Approved Classification Society.

"**Approved Classification Society**" means, in relation to a Ship, as at the date of this Agreement, the classification society in relation to that Ship specified in Schedule 8 (*Details of the Ships and other definitions*) or any other classification society approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Approved Flag**" means, in relation to a Ship, the flag of Bahamas, Bermuda, Cayman Islands, Cyprus, Hong Kong, Liberia, Malta, Panama, the Marshall Islands, Singapore or the United Kingdom or such other flag approved in writing by the Facility Agent acting with the authorisation of the Lenders, such authorisation not to be unreasonably withheld and a reference to "the Approved Flag" shall be a reference to the flag and, if applicable port of registry, under which that Ship is then flagged.

"**Approved Manager**" means as at the date of this Agreement:

(a) in relation to a Ship, Navios Tankers Management Inc., a corporation incorporated under the laws of the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 as manager; and/or

(b) any Affiliate of Navios Shipmanagement Inc. or any other person approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders, such authorisation not to be unreasonably withheld, as the commercial and technical manager of any Ship.

"**Approved Valuer**" means Arrow Sale and Purchase (UK) Limited, Braemar Seascope Shipping Limited, Simpson Spence Young Ltd, Fearnleys AS, Clarkson Securities AS, Maersk Broker K/S, Howe Robinson, Barry Rogliano Salles and VesselsValue (or any Affiliate of such person through which valuations are commonly issued) and any other firm or firms of independent sale and purchase shipbrokers approved in writing by the Facility Agent, acting with the authorisation of the Majority Lenders.

"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.

"Asset Cover Ratio" means, at any relevant time, the aggregate of (a) the aggregate Market Value of each Ship then subject to a Mortgage and (b) the net realisable value of any additional Security previously provided under Clause 24 (*Security Cover*) expressed as a percentage of the Loan.

"**Assignable Charter**" means any time charterparty, consecutive voyage charter or contract of affreightment in respect of a Ship of a duration (or capable of exceeding a duration) of 13 months or more or any bareboat charter entered into in accordance with Clauses 23.17 (*Restrictions on chartering, appointment of managers etc.*) and 23.20 (*Charterparty Assignment*) **provided that** in case such Charter provides for a quiet enjoyment letter, agreement or undertaking to be granted by the Security Agent the wording of such letter, agreement or undertaking to be acceptable to the Facility Agent.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, legalisation or registration.

"**Availability Period**" means the period from and including the date of this Agreement to and including 31 March 2024, or such later date as may be agreed by the Facility Agent in writing.

"**Available Commitment**" means a Lender's Commitment minus:

(a) the amount of its participation in the outstanding Loan; and

(b) in relation to any proposed Utilisation, the amount of its participation in the Loan that is due to be made on or before the proposed Utilisation Date.

"**Available Facility**" means the aggregate for the time being of each Lender's Available Commitment.

"**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 in Clause 6.1 (*Repayment of Loan*).

"**Borrower**" means Borrower A, Borrower B or Borrower C.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Athens, Oslo and New York and in relation to:

(a) any date for payment or purchase of an amount relating to the Loan, any part of the Loan or Unpaid Sum; or

(b) the determination of the first day or the last day of an Interest Period for the Loan, any part of the Loan or Unpaid Sum, or otherwise in relation to the determination of the length of such an Interest Period,

which is an Additional Business Day relating to the Loan, that part of the Loan or Unpaid Sum.

"**Central Bank Rate**" has the meaning given to that term in the Reference Rate Terms.

"**Central Bank Rate Adjustment**" has the meaning given to that term in the Reference Rate Terms.

"**Central Bank Rate Spread**" has the meaning given to that term in the Reference Rate Terms.

"**Change of Control**" has the meaning given to it in Clause 7.2 (*Change of control*).

"**Charter**" means any charter relating to a Ship, or other contract for its employment, whether or not already in existence (including without limitation, any Initial Charter and an Assignable Charter).

"**Charter Guarantee**" means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

"**Charterparty Assignment**" means, in relation to an Assignable Charter, a first priority assignment of the rights of the relevant Borrower under that Assignable Charter and any related Charter Guarantee executed or to be executed by that Borrower in favour of the Security Agent in agreed form.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means:

(a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Part C of Schedule 1 (*The Parties*) and the amount of any other Commitment transferred to it under this Agreement; and

(b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Compounded Reference Rate**" means, in relation to any RFR Banking Day during the Interest Period of the Loan or any part of the Loan, the percentage rate per annum which is the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day.

"**Compounding Methodology Supplement**" means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

(a) is agreed in writing by the Borrowers, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of Majority Lenders);

(b) specifies a calculation methodology for that rate; and

(c) has been made available to the Borrowers and each Finance Party.

"**Confidential Information**" means all information relating to any Transaction Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Finance Party, if the information was obtained by that Finance 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 Finance Party of Clause 44 (*Confidential Information*); 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 Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; or

(D) in relation to the Guarantor such information as the Guarantor is entitled to disclose by rules and regulations of the SEC and any US Stock Exchange applicable to the Guarantor, and

(ii) any Funding Rate.

"**Confidentiality Undertaking**" means a confidentiality undertaking in substantially the appropriate form recommended by the LMA from time to time or in any other form agreed between the Borrowers and the Facility Agent.

"**Corresponding Debt**" means any amount, other than any Parallel Debt, which a Borrower owes to a Secured Party under or in connection with the Finance Documents.

"**Cumulative Compounded RFR Rate**" means, in relation to an Interest Period for the Loan or any part of the Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 11 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Non-Cumulative Compounded RFR Rate**" means, in relation to any RFR Banking Day during an Interest Period for the Loan or any part of the Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in 0 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Rate**" means the rate specified as such in the Reference Rate Terms.

"**Deed of Covenant**" means, in relation to a Ship, if required by the laws of the Approved Flag of that Ship, a deed of covenant collateral to the Mortgage over that Ship in agreed form.

"**Deed of Release**" means, in relation to the Existing Facility Agreement, any deed releasing the Borrowers and the other Transaction Obligors from their obligations under the Existing Facility Agreement and any relevant Existing Security in a form acceptable to the Facility Agent.

"**Default**" means an Event of Default or a Potential Event of Default.

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"**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 Facility (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, if applicable, any Transaction Obligor; 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 or, if applicable, any Transaction Obligor preventing that, or any other, Party or, if applicable, any Transaction Obligor:

(i) from performing its payment obligations under the Finance Documents; or

(ii) from communicating with other Parties or, if applicable, any Transaction Obligor 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 or, if applicable, any Transaction Obligor whose operations are disrupted.

"**Document of Compliance**" has the meaning given to it in the ISM Code.

"**dollars**" and "**$**" mean the lawful currency, for the time being, of the United States of America.

"**Earnings**" means, in relation to a Ship, all moneys whatsoever which are now, or later become, payable (actually or contingently) to a Borrower or the Security Agent and which arise out of or in connection with or relate to the use or operation of that Ship, including (but not limited to):

(a) the following, save to the extent that any of them is, with the prior written consent of the Facility Agent, pooled or shared with any other person:

(i) all freight, hire and passage moneys including, without limitation, all moneys payable under, arising out of or in connection with a Charter or a Charter Guarantee;

(ii) the proceeds of the exercise of any lien on sub-freights;

(iii) compensation payable to the Borrower which is the owner of that Ship or the Security Agent in the event of requisition of that Ship for hire or use;

(iv) remuneration for salvage and towage services;

(v) demurrage and detention moneys;

(vi) without prejudice to the generality of sub-paragraph (i) above, damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship;

(vii) all moneys which are at any time payable under any Insurances in relation to loss of hire;

(viii) all monies which are at any time payable to a Borrower in relation to general average contribution; and

(b) if and whenever that Ship is employed on terms whereby any moneys falling within sub-paragraphs (i) to (viii) of paragraph (a) 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.

"**Earnings Account**" means:

(a) an account in the name of Borrower A with the Account Bank with account number 6075.04.43500;

(b) an account in the name of Borrower B with the Account Bank with account number 6075.04.43519;

(c) an account in the name of Borrower C with the Account Bank with account number 6075.04.43527;

(d) any other account in the name of a Borrower with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or

(e) any sub-account of any account referred to in paragraphs (a) to (d) above.

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"**Environmental Approval**" means any present or future permit, ruling, variance or other Authorisation required under Environmental Law.

"**Environmental Claim**" means any claim by any governmental, judicial or regulatory authority or any other person which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law and, for this purpose, "**claim**" includes a claim for damages, compensation, contribution, injury, fines, losses and penalties or any other payment of any kind, including in relation to clean-up and removal, 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:

(a) any release, emission, spill or discharge of Environmentally Sensitive Material whether within a Ship or from a Ship into any other vessel or into or upon the air, water, land or soils (including the seabed) or surface water; or

(b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water from a vessel other than any Ship and which involves a collision between any Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which a Ship is actually or potentially liable to be arrested, attached, detained or injuncted and/or a Ship and/or any Transaction Obligor and/or any operator or manager of a 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, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water otherwise than from a Ship and in connection with which a Ship is actually or potentially liable to be arrested and/or where any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action.

"**Environmental Law**" means any present or future law relating to vessel disposal, energy efficiency, carbon reduction, emissions, emissions trading, pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

"**Environmentally Sensitive Material**" means and includes all contaminants, oil, oil products, toxic substances 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 LMA from time to time.

"**EU Ship Recycling Regulation**" means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

"**Event of Default**" means any event or circumstance specified as such in Clause 26 (*Events of Default*).

"**Existing Indebtedness**" means, at any date, the outstanding Financial Indebtedness of the Borrowers on that date under the Existing Facility Agreement.

"**Existing Facility Agreement**" means the facility agreement dated 13 December 2021 (as amended and supplemented from time to time) and made among, *inter alios*, (i) the Borrowers as joint and several borrowers, (ii) the Guarantor as guarantor, (iii) the financial institutions listed in Part B of Schedule 1 therein as lenders, (iv) DNB Bank ASA, London Branch as facility agent, (v) DNB Bank ASA, London Branch as security agent, (vi) DNB (UK) Limited as mandated lead arranger and (vii) DNB Bank ASA, London Branch as sustainability agent.

"**Existing Security**" means any Security created to secure the Existing Indebtedness.

"**Facility**" means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than 5 Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**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.

"**Fee Letter**" means any letter or letters dated on or about the date of this Agreement between any of the Facility Agent, the Security Agent, the Mandated Lead Arranger and any Obligor setting out any of the fees referred to in Clause 11 (*Fees*).

"**Finance Document**" means:

(a) this Agreement;

(b) any Fee Letter;

(c) the Guarantee;

(d) any Utilisation Request;

(e) any Reference Rate Supplement;

(f) any Compounding Methodology Supplement;

(g) any Security Document;

(h) any Hedging Agreement;

(i) any Manager's Undertaking;

(j) the QEL;

(k) any other document which is executed for the purpose of establishing any priority or subordination arrangement in relation to the Secured Liabilities; or

(l) any other document designated as such by the Facility Agent and the Borrowers.

"**Finance Party**" means the Facility Agent, the Security Agent, the Mandated Lead Arranger, a Lender, a Hedge Counterparty or the Bookrunner.

"**Financial Indebtedness**" means any indebtedness for or in relation to:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in relation to any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in relation to a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in relation to any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**Funding Rate**" means any individual rate notified by a Lender to the Facility Agent pursuant to sub-paragraph (ii) of paragraph (a) of Clause 10.3 (*Cost of funds*).

"**GAAP**" means generally accepted accounting principles in the US.

"**General Assignment**" means, in relation to a Ship, the general assignment creating Security over:

(a) that Ship's Earnings, its Insurances and any Requisition Compensation in relation to that Ship; and

(b) any Charter and any Charter Guarantee in relation to that Ship,

in agreed form.

"**Group**" means the Guarantor and its Subsidiaries for the time being (excluding any Subsidiaries whose shares are listed on any public stock exchange and whose financial statements are not consolidated into the financial statements of the Guarantor) and "**member of the Group**" shall be construed accordingly.

"Group Vessel" means any ship (including, but not limited to, the Ships) from time to time wholly owned by a member of the Group (directly or indirectly) including chartered-in vessels for which a member of the Group has a purchase obligation but excluding, for the avoidance of doubt, any newbuilding vessels not delivered to the relevant member of the Group at the relevant time.

"**Guarantee**" means a guarantee executed by the Guarantor in agreed form.

"**Guarantor**" means Navios Maritime Partners L.P., a limited partnership formed in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960.

"**Hedge Counterparty**" means any Original Hedge Counterparty or any Additional Hedge Counterparty.

"**Hedge Counterparty Accession Letter**" means a document substantially in the form set out in Schedule 7 (*Form of Hedge Counterparty Accession Letter*).

"**Hedge Counterparty Guarantee**" means any guarantee in agreed form entered into or to be entered into in favour of a Borrower for the purpose of guaranteeing the obligations owed by a Hedge Counterparty to that Borrower under a Hedging Agreement.

"**Hedge Counterparty Guarantor**" means any person who provides a Hedge Counterparty Guarantee.

"**Hedge Receipts**" means all moneys whatsoever which are now, or later become, payable (actually or contingently) to a Borrower or the Security Agent by a Hedge Counterparty or a Hedge Counterparty Guarantor under a Hedging Agreement or a Hedge Counterparty Guarantee.

"**Hedging Agreement**" means any master agreement, confirmation, transaction, schedule or other agreement in agreed form entered into or to be entered into by a Borrower for the purpose of hedging interest payable under this Agreement.

"**Hedging Agreement Security**" means, in relation to a Borrower, a hedging agreement security creating Security over that Borrower's rights and interests in any Hedging Agreement and any Hedge Counterparty Guarantee, in agreed form.

"**Hedging Prepayment Proceeds**" means any Hedge Receipts arising as a result of termination or closing out under a Hedging Agreement.

"**Holding Company**" means, in relation to a person, any other person in relation to which it is a Subsidiary.

"**Inventory of Hazardous Materials**" means, in relation to a Ship, an inventory certificate or statement of compliance (as applicable) issued by the relevant classification society or shipyard authority which is supplemented by a list of any and all materials known to be potentially hazardous utilised in the construction of, or otherwise installed on, that Ship, pursuant to the requirements of the EU Ship Recycling Regulation.

"**Indemnified Person**" has the meaning given to it in Clause 14.2 (*Other indemnities*).

"**Initial Charter**" has the meaning given to that term in Schedule 8 (*Details of the Ships and other definitions*).

"**Initial Market Value**" means, in relation to a Ship, the Market Value of that Ship calculated in accordance with the valuations relative thereto referred to in paragraph 3.7 of Schedule 2, 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, effected in relation to that Ship, that Ship's Earnings or otherwise in relation to that Ship whether before, on or after the date of this Agreement; and

(b) all rights and other assets relating to, or derived from, any of such policies, contracts or entries, including any rights to a return of premium and any rights in relation to any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement.

"**Interest Payment**" means the aggregate amount of interest that is, or is scheduled to become, payable under any Finance Document.

"**Interest Payment Date**" has the meaning given to it in Clause 8.2 (*Payment of interest*).

"**Interest Period**" means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"**ISDA Master Agreement**" means a 2002 ISDA Master Agreement as published by the International Swaps and Derivatives Association, Inc.

"**ISM Code**" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (including the guidelines on its implementation), adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time.

"**ISPS Code**" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002, as the same may be amended or supplemented from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Lender**" means:

(a) any Original Lender; and

(b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 27 (*Changes to the Lenders and the Hedge Counterparties*),

which in each case has not ceased to be a Party in accordance with this Agreement.

"**LMA**" means the Loan Market Association or any successor organisation.

"**Loan**" means the loan to be made available under the Facility or the aggregate principal amount outstanding for the time being of the borrowings under the Facility and a "**part of the Loan**" means any part of the Loan as the context may require.

"Lookback Period" means the number of days specified as such in the Reference Rate Terms.

"**Major Casualty**" means, in relation to a Ship, any casualty to that Ship in relation to which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds $1,000,000 or the equivalent in any other currency.

"**Majority Lenders**" means:

(a) if the Loan has yet to be made, a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent. of the Total Commitments; or

(b) at any other time, a Lender or Lenders whose participations in the Loan aggregate more than 66⅔ per cent. of the amount of the Loan then outstanding or, if the Loan has been repaid or prepaid in full, a Lender or Lenders whose participations in the Loan immediately before repayment or prepayment in full aggregate more than 66⅔ per cent. of the Loan immediately before such repayment.

"**Management Agreement**" means in relation to a Ship, the assignment agreement entered into between (i) Navios Shipmanagement Inc., (ii) Navios Maritime Acquisition Corporation and (iii) the Approved Manager regarding the commercial and technical management of a Ship.

"**Manager's Undertaking**" means, in relation to a Ship, the letter of undertaking from the Approved Manager relating to that Ship subordinating the rights of the Approved Manager respectively against that Ship and the relevant Borrower owing that Ship to the rights of the Finance Parties in agreed form.

"**Margin**" means the percentage rate per annum specified as such in the Reference Rate Terms.

"**Market Disruption Rate**" means the rate (if any) specified as such in the Reference Rate Terms.

"**Market Value**" means, in relation to a Ship or any other vessel, at any date, the market value of that Ship or vessel determined in accordance with paragraph (a) of Clause 24.7 (*Provision of valuations*) and, prepared:

(a) unless otherwise specified by the Facility Agent, as at a date not more than 30 days previously;

(b) by an Approved Valuer or Approved Valuers;

(c) with or without physical inspection of that Ship or vessel (as the Facility 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 Charter.

"**Material Adverse Effect**" means in the reasonable opinion of the Majority Lenders a material adverse effect on:

(a) the business, operations, property, condition (financial or otherwise) or prospects of the Borrowers, the Guarantor or the Group as a whole; or

(b) the ability of any Transaction Obligor to perform its obligations under any Finance Document; or

(c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or intended to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"Money Laundering" has the meaning given in Article 1 of Directive 2015/849/EC of the Council of the European Communities.

"**Month**" means, in relation to any Interest Period (or any other period for the accrual of commission or fees), a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, subject to adjustment in accordance with the rules specified as Business Day Conventions in the Reference Rate Terms.

"Mortgage" means, in relation to a Ship, a first priority, or, as the case may be, preferred ship mortgage on that Ship in agreed form or any replacement first preferred or first priority ship mortgage on that Ship under the law of an Approved flag in agreed form.

"**Obligor**" means a Borrower or the Guarantor or a Hedge Guarantor.

"**Original Financial Statements**" means the annual audited consolidated financial statements of the Group for its financial year ended 31 December 2022.

"**Original Jurisdiction**" means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement.

"**Overseas Regulations**" means the Overseas Companies Regulations 2009 (SI 2009/1801).

"**Parallel Debt**" means any amount which a Borrower owes to the Security Agent under Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or under that clause as incorporated by reference or in full in any other Finance Document.

"**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 this Agreement.

"**Permitted Charter**" means, in relation to a Ship, a Charter:

(a) which is a time, voyage or consecutive voyage charter;

(b) the duration of which does not exceed and is not capable of exceeding, by virtue of any optional extensions, 18 months plus a redelivery allowance of not more than 30 days;

(c) which is entered into on *bona fide* arm's length terms at the time at which that Ship is fixed; and

(d) in relation to which not more than two months' hire is payable in advance,

and any other Charter which is approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders.

"**Permitted Financial Indebtedness**" means:

(a) any Financial Indebtedness incurred under the Finance Documents;

(b) until the Utilisation Date, the Existing Indebtedness; and

(c) any Financial Indebtedness (including without limitation, any shareholder or intra-Group loans made available to the Borrowers (or any of them) in the normal course of its business of trading and operating any of Ship) that is subordinated to all Financial Indebtedness incurred under the Finance Documents in writing in a manner acceptable to the Facility Agent in all respects.

"**Permitted Security**" means:

(a) until the Utilisation Date, the Existing Security;

(b) Security created by the Finance Documents;

(c) liens for unpaid master's and crew's wages in accordance with first class ship ownership and management practice and not being enforced through arrest;

(d) liens for salvage;

(e) liens for master's disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice and not being enforced through arrest; and

(f) any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of any Ship:

(i) not as a result of any default or omission by any Borrower;

(ii) not being enforced through arrest; and

(iii) subject, in the case of liens for repair or maintenance, to Clause 23.17 (*Restrictions on chartering, appointment of managers etc.*),

and provided such lien does not secure amounts more than 30 days overdue (unless the overdue amount is being contested in good faith by appropriate steps).

"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 any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"**Protected Party**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**QEL**" means the quiet enjoyment letter referred to in Clause 27 of the charter contract relating to Ship A specified in Schedule 8 (*Details of Ships and other definitions*) to be executed by the Security Agent in favour of any of the relevant Charterer in form and substance acceptable to the Facility Agent.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

"**Reference Rate Supplement**" means a document which:

(a) is agreed in writing by the Borrowers and the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);

(b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Reference Rate Terms; and

(c) has been made available to the Borrowers and each Finance Party.

"**Reference Rate Terms**" means the terms set out in Schedule 9 (*Reference Rate Terms*) or in any Reference Rate Supplement.

"**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 Jurisdiction**" means, in relation to a Transaction Obligor:

(a) its Original Jurisdiction;

(b) any jurisdiction where any asset subject to, or intended to be subject to, any of the Transaction Security created, or intended to be created, by it is situated;

(c) any jurisdiction where it conducts its business; and

(d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Market**" means the market specified as such in the Reference Rate Terms.

"**Relevant Person**" means:

(a) the Obligors and each of their Subsidiaries; and

(b) each of their directors, officers and employees.

"**Repayment Date**" means each date on which a Repayment Instalment is required to be paid under Clause 6.1 (*Repayment of Loan*).

"**Repayment Instalment**" has the meaning given to it in Clause 6.1 (*Repayment of Loan*).

"**Repeating Representation**" means each of the representations set out in Clause 19 (*Representations*) except Clause 19.10 (*Insolvency*), Clause 19.11 (*No filing or stamp taxes*) and Clause 19.12 (*Deduction of Tax*) and any representation of any Transaction Obligor made in any other Finance Document that is expressed to be a "Repeating Representation" or is otherwise expressed to be repeated.

"Reporting Day" means the day (if any) specified as such in the Reference Rate Terms.

"Reporting Period" means:

(a) in the case of the first anniversary of the date of this Agreement, the period from the Delivery Date to the date falling one week prior to the first anniversary;

(b) in the case of each subsequent anniversary of the date of this Agreement, the period of 12 months ending on the date falling one week prior to the relevant anniversary; and

(c) in the case of the attestation to be submitted on the date of payment of the final Repayment Instalment, the period from the date on which an attestation was last submitted under Clause 23.13 (*Russian oil price cap*) to and including such payment date.

"Reporting Time" means the relevant time (if any) specified as such in the Reference Rate Terms.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Requisition**" means in relation to a Ship:

(a) any expropriation, confiscation, requisition (excluding a requisition for hire or use which does not involve a requisition for title) or acquisition of that Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected (whether de jure or de facto) by any government or official authority or by any person or persons claiming to be or to represent a government or official authority; and

(b) any capture or seizure of that Ship (including any hijacking, piracy or theft) by any person whatsoever.

"**Requisition Compensation**" includes all compensation or other moneys payable to a Borrower by reason of any Requisition or any arrest or detention of that Ship in the exercise or purported exercise of any lien or claim.

"**Restricted Party**" means a person that is:

(a) listed on any Sanctions List or targeted by Sanctions Laws (whether designated by name or by reason of being included in a class of person); or

(b) located in or incorporated under the laws of any country or territory that is the target of comprehensive, country- or territory-wide Sanctions Laws; or

(c) directly or indirectly owned or controlled by, or acting on behalf, at the direction or for the benefit of, a person referred to in (a) and/or (to the extent relevant under Sanctions Laws) (b) above.

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"**Russian Oil Price Cap Measures**" means the Russian oil price cap restrictions and requirements imposed by law or regulation of the United Kingdom, the Council of the European Union and the United States of America and any other similar restrictions on the supply or delivery or maritime transportation of Russian Oil Products applicable to any Obligor.

"**Russian Oil Products**" means oil and oil products falling within commodity codes 2709 or 2710 which originate in or are consigned from Russia.

"RFR" means the rate specified as such in the Reference Rate Terms.

"RFR Banking Day" means any day specified as such in the Reference Rate Terms.

"**Safety Management Certificate**" has the meaning given to it in the ISM Code.

"**Safety Management System**" has the meaning given to it in the ISM Code.

"**Sanctions Authority**" means the Norwegian State, the Swedish State, the United Nations, the European Union, the United Kingdom, the United States of America, and any authority acting on behalf of any of them, or their respective legislative, executive, enforcement and/or regulatory authorities or bodies acting in connection with Sanctions Laws.

"Sanctions Laws" means the economic or financial sanctions laws and/or regulations, trade embargoes, prohibitions, restrictive measures, decisions, executive orders or notices from regulators implemented, adapted, imposed, administered, enacted and/or enforced by any Sanctions Authority.

"Sanctions List" means:

(a) the lists of Sanctions Laws designations and/or targets maintained by any Sanctions Authority and/or

(b) any other sanctions designation or target listed and/or adopted by a Sanctions Authority,

in all cases, as amended, supplemented or replaced from time to time.

"**Secured Liabilities**" means all present and future obligations and liabilities, (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under or in connection with each Finance Document.

"**Secured Party**" means each Finance Party from time to time party to this Agreement, a Receiver or any Delegate.

"**Security**" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"**Security Assets**" means all of the assets of the Transaction Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"**Security Document**" means:

(a) any Shares Security;

(b) any Mortgage;

(c) any General Assignment;

(d) any Charterparty Assignment;

(e) any Account Security;

(f) any Hedging Agreement Security;

(g) any other document (whether or not it creates Security) which is executed as security for the Secured Liabilities; or

(h) any other document designated as such by the Facility Agent and the Borrowers.

"**Security Period**" means the period starting on the date of this Agreement and ending on the date on which the Facility Agent is satisfied that there is no outstanding Commitment in force and that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

"**Security Property**" means:

(a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;

(b) all obligations expressed to be undertaken by a Transaction Obligor to pay amounts in relation to the Secured Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Transaction Obligor or any other person in favour of the Security Agent as trustee for the Secured Parties;

(c) the Security Agent's interest in any turnover trust created under the Finance Documents;

(d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties,

except:

(i) rights intended for the sole benefit of the Security Agent; and

(ii) any moneys or other assets which the Security Agent has transferred to the Facility Agent or (being entitled to do so) has retained in accordance with the provisions of this Agreement.

"**Selection Notice**" means a notice substantially in the form set out in Part B of Schedule 3 (*Selection Notice*) given in accordance with Clause 9 (*Interest Periods*).

"**Servicing Party**" means the Facility Agent or the Security Agent.

"**Shareholder**" means Navios Maritime Midstream Operating LLC, a limited liability company formed and existing in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"**Shares Security**" means, in relation to a Borrower, a document creating Security over the issued shares in that Borrower in agreed form.

"**Ship**" means Ship A, Ship B and Ship C.

"**Ship A**" has the meaning given to that term in Schedule 8 (*Details of the Ships and other definitions*).

"**Ship B**" has the meaning given to that term in Schedule 8 (*Details of the Ships and other definitions*).

"**Ship C**" has the meaning given to that term in Schedule 8 (*Details of the Ships and other definitions*).

"**Specified Time**" means a day or time determined in accordance with Schedule 6 (*Timetables*).

"**Statement of Compliance**" means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

"**Subsidiary**" means that 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; and

(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.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Credit**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Tax Deduction**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Tax Payment**" has the meaning given to it in Clause 12.1 (*Definitions*).

"**Termination Date**" means the date falling on the fifth anniversary of the Utilisation Date.

"**Third Parties Act**" has the meaning given to it in Clause 1.5 (*Third party rights*).

"**Total Commitments**" means the aggregate of the Commitments, being in an amount of up to $40,000,000.

"**Total Loss**" means, in relation to a Ship:

(a) actual, constructive, compromised, agreed or arranged total loss of that Ship; or

(b) in the case of any of the events described in paragraph (a) of the definition "Requisition", any such Requisition of a Ship unless that Ship is returned to the full control of the relevant Borrower within 60 days of such Requisition; and

(c) in the case of any of the events described in paragraph (b) of the definition "Requisition", any such Requisition of a Ship unless that Ship is returned to the full control of the relevant Borrower within 90 days of such Requisition, provided that in the event of piracy if the relevant underwriters confirm to the Facility Agent in writing (in customary terms) prior to the end of the 90-day period 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 the Total Loss of 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) the date on which a notice of abandonment is given (or deemed or agreed to be given) to the insurers; and

(ii) the date of any compromise, arrangement or agreement made by or on behalf of the relevant Borrower 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, the date (or the most likely date) on which it appears to the Facility Agent that the event constituting the total loss occurred.

"**Transaction Document**" means:

(a) a Finance Document;

(b) any Assignable Charter;

(c) any Hedge Counterparty Guarantee;

(d) any Charter Guarantee relating to an Assignable Charter; or

(e) any other document designated as such by the Facility Agent and a Borrower.

"**Transaction Obligor**" means an Obligor, the Shareholder, any Approved Manager who is a member of the Group or any other member of the Group who executes a Transaction Document.

"**Transaction Security"** means the Security created or evidenced or expressed to be created or evidenced under the Security Documents.

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrowers.

"**Transfer Date**" means, in relation to an assignment or a transfer, the later of:

(a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and

(b) the date on which the Facility Agent executes the relevant Assignment Agreement or Transfer Certificate.

"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).

"**UK Establishment**" means a UK establishment as defined in the Overseas Regulations.

"**Unpaid Sum**" means any sum due and payable but unpaid by a Transaction Obligor under the Finance Documents.

"**US**" means the United States of America.

"**US Tax Obligor**" means:

(a) a person which is resident for tax purposes in the US; or

(b) a person some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"**Utilisation**" means the utilisation of the Facility.

"**Utilisation Date**" means the date on which the Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

"**VAT**" means:

(a) any value added tax imposed by the Value Added Tax Act 1994;

(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above, or imposed elsewhere.

"**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 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; and

(c) in relation to any other applicable 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.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Account Bank**", the "**Facility Agent**", any "**Finance Party**", the "**Mandated Lead Arranger**", the "**Hedge Counterparty**", any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**", the "**Security Agent**", any "**Transaction Obligor**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) a liability which is "**contingent**" means a liability which is not certain to arise and/or the amount of which remains unascertained;

(iv) "**document**" includes a deed and also a letter, fax, email or telex;

(v) "**expense**" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable Tax including VAT;

(vi) a Lender's **"cost of funds"** in relation to its participation in the Loan or any part of the Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in the Loan or that part of the Loan for a period equal in length to the Interest Period of the Loan or that part of the Loan;

(vii) a "**Finance Document**", a "**Security Document**" or "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document, Security Document or Transaction Document or other agreement or instrument as amended, replaced, novated, supplemented, extended or restated;

(viii) a "**group of Lenders**" includes all the Lenders;

(ix) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

(x) "**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;

(xi) "**proceedings**" means, in relation to any enforcement provision of a Finance Document, proceedings of any kind, including an application for a provisional or protective measure;

(xii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(xiii) a "**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 and includes any regulation relating to Basel II or Basel III;

(xiv) a reference to a "**Ship**", its name, its flag and, if applicable, its port of registry shall include any replacement name, flag and, if applicable, replacement port of registry;

(xv) a provision of law is a reference to that provision as amended or re-enacted from time to time;

(xvi) a time of day is a reference to Oslo time;

(xvii) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;

(xviii) words denoting the singular number shall include the plural and vice versa; and

(xix) "**including**" and "**in particular**" (and other similar expressions) shall be construed as not limiting any general words or expressions in connection with which they are used.

(b) Section, Clause and Schedule headings are for ease of reference only and are not to be used for the purposes of construction or interpretation of the Finance Documents.

(c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under, or in connection with, any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.

(d) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:

(i) any replacement page of that information service which displays that rate; and

(ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

(iii) and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Facility Agent after consultation with the Borrowers.

(e) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

(f) Any Reference Rate Supplement overrides anything in:

(i) Schedule 9 (*Reference Rate Terms*); or

(ii) any earlier Reference Rate Supplement.

(g) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:

(i) 0 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 11 (*Cumulative Compounded RFR Rate*), as the case may be; or

(ii) any earlier Compounding Methodology Supplement.

(h) 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.

1.3 Construction of insurance terms

In this Agreement:

"**approved**" means, for the purposes of Clause 22 (*Insurance Undertakings*), approved in writing by the Facility Agent.

"**excess risks**" means, in respect of 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.

"**obligatory insurances**" means all insurances effected, or which any Borrower is obliged to effect, under Clause 22 (*Insurance Undertakings*) or any other provision of this Agreement or of another Finance Document.

"**policy**" 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.

"**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 provisions.

1.4 Agreed forms of Finance Documents

References in Clause 1.1 (*Definitions*) to any Finance Document being in "agreed form" are to that Finance Document:

(a) in a form attached to a certificate dated the same date as this Agreement (and signed by each Borrower and the Facility Agent); or

(b) in any other form agreed in writing between each Borrower and the Facility Agent acting with the authorisation of the Majority Lenders or, where Clause 43.2 (*All Lender matters*) applies, all the Lenders.

1.5 Third party rights

(a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

(c) Any Receiver, Delegate, Affiliate or any other person described in paragraph (d) of Clause 14.2 (*Other indemnities*), paragraph (b) of Clause 29.11 (*Exclusion of liability*), or paragraph (b) of Clause 30.11 (*Exclusion of liability*) may, subject to this Clause 1.5 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

2 THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers a dollar term loan facility in one advance in an aggregate amount not exceeding the Total Commitments.

2.2 Finance Parties' rights and obligations

(a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

(b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from a Transaction Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of the Loan or any other amount owed by a Transaction Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by that Transaction Obligor.

(c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

3 PURPOSE

3.1 Purpose

Each Borrower shall apply all amounts borrowed by it under the Facility only for the purpose stated in the preamble (*Background*) to this Agreement.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4 CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

The Borrowers may not deliver the Utilisation Request unless the Facility Agent has received all of the documents and other evidence listed in Part A of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent.

4.2 Further conditions precedent

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if:

(a) on the date of the Utilisation Request and on the proposed Utilisation Date and before the Loan is made available:

(i) no Default is continuing or would result from the proposed making of the Loan;

(ii) the Repeating Representations to be made by each Transaction Obligor are true in all material respects; and

(iii) no event described in paragraph (a) of Clause 7.2 (*Change of control*) has occurred; and

(iv) no Ship has been sold or become a Total Loss; and

(b) the Facility Agent has received on or before the Utilisation Date, or is satisfied it will receive when the Loan is made available, all of the documents and other evidence listed in Part B of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent.

4.3 Notification of satisfaction of conditions precedent

(a) The Facility Agent shall notify the Borrowers and the Lenders promptly upon being satisfied as to the satisfaction of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*), Clause 4.2 (*Further conditions precedent*).

(b) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.4 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit the Loan to be borrowed before any of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*), Clause 4.2 (*Further conditions precedent*) has been satisfied, the Borrowers shall ensure that that condition is satisfied within five Business Days after the Utilisation Date or such later date as the Facility Agent, acting with the authorisation of the Majority Lenders, may agree in writing with the Borrowers.

In the event that the Hedging Agreements are not executed by the Utilisation Date, the Borrowers shall procure that such Hedging Agreements are executed by the end of the Availability Period together with any Hedging Agreement Security and any amendment and/or supplement required to be executed in relation to any Finance Document and shall additionally deliver to the Facility Agent such other documents relevant to the Borrowers equivalent to those referred to at paragraphs 1.2, 1.3, 1.5, 2, 5, 6.1 and 6.5 of Part A of Schedule 2 (Conditions Precedent) as the Facility Agent may require.

SECTION 3

UTILISATION

5 UTILISATION

5.1 Delivery of a Utilisation Request

The Borrowers may utilise the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

(a) the proposed Utilisation Date is a Business Day within the Availability Period;

(b) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and

(c) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

5.3 Currency and amount

(a) The currency specified in the Utilisation Request must be dollars.

(b) The amount of the proposed Loan must be an amount which is not more than the lower of (i) $40,000,000 and (ii) and 50 per cent. of the aggregate Initial Market Value of the Ships.

(c) The amount of the proposed Loan must be an amount which would not oblige the Borrowers to provide additional security or prepay part of the Loan if the ratio set out in Clause 24 (*Security Cover*) were applied and notice was given by the Facility Agent under Clause 24.1 (*Minimum required security cover*) immediately after the Loan was utilised.

5.4 Lenders' participation

(a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately before making the Loan.

(c) The Facility Agent shall notify each Lender of the amount of the Loan and the amount of its participation in the Loan by the Specified Time.

5.5 Cancellation of Commitments

On the earlier of the date on which the Loan has been made and the end of the Availability Period any Commitment which is then unutilised shall be cancelled.

5.6 Retentions

The Borrowers irrevocably authorise the Facility Agent:

(a) to deduct from the proceeds of the Loan any fees then payable to the Finance Parties in accordance with Clause 11 (*Fees*) and any other items listed as deductible items in the Utilisation Request and to apply them in payment of the items to which they relate;

(b) on the Utilisation Date, to pay to, or for the account of, the Borrowers the balance (after any deduction made in accordance with paragraph (a) above) of the amounts which the Facility Agent receives from the Lenders in respect of the Loan; and

(c) following the deduction of fees in accordance with paragraph (a) above any excess amount to be thereafter released to an Earnings Account of a Borrower specified in the Utilisation Request.

5.7 Disbursement to third party

Payment by the Lender under Clause 5.6 (*Retentions*) to a person other than a Borrower shall constitute the making of the Loan 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 Loan.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6 REPAYMENT

6.1 Repayment of Loan

The Borrowers shall repay the Loan by 20 equal consecutive quarterly instalments, each in an amount equal to $1,241,637 (each a "**Repayment Instalment**") together with a balloon instalment in an amount of $15,167,260 (the "**Balloon Instalment**").

6.2 Repayment Dates

The first Repayment Instalment shall be repaid on the date falling three Months from the Utilisation Date, each subsequent Repayment Instalment shall be repaid at quarterly intervals thereafter and the Balloon Instalment shall be repaid on the Termination Date.

6.3 Effect of cancellation and prepayment on scheduled repayments

(a) If the Borrowers cancel the whole or any part of any Available Commitment in accordance with Clause 7.7 (*Right of replacement or repayment and cancellation in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality and Sanctions Laws affecting a Lender*) then the Repayment Instalments (including, if applicable, the relevant Balloon Instalments) falling after that cancellation will be reduced *pro rata* by the amount of the Available Commitments so cancelled.

(b) If the Borrowers cancel the whole or any part of any Available Commitment in accordance with Clause 7.3 (*Voluntary and automatic cancellation*) or if the whole or part of any Commitment is cancelled pursuant to Clause 5.5 (*Cancellation of Commitments*), then the Repayment Instalments and the Balloon Instalment falling after that cancellation will be reduced *pro rata* by the amount of the Commitments so cancelled.

(c) If any part of the Loan is repaid or prepaid in accordance with Clause 7.7 (*Right of replacement or repayment and cancellation in relation to a single Lender*) or Clause 7.1 (*Illegality and Sanctions Laws affecting a Lender*) then the Repayment Instalments (including, if applicable, the relevant Balloon Instalments) falling after that repayment or prepayment (as applicable) will be reduced *pro rata* by the amount of the Loan repaid or prepaid.

(d) If any part of the Loan is prepaid in accordance with Clause 7.4 (*Voluntary prepayment of Loan*), or Clause 7.6 (*Mandatory prepayment of Hedging Prepayment Proceeds*) then the amount of the Repayment Instalments and Balloon Instalment for each Repayment Date falling after that repayment or prepayment will be reduced *in order of maturity* by the amount of the Loan repaid or prepaid.

(e) If any part of the Loan is prepaid in accordance with Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*), then the amount of the Loan prepaid shall reduce the then outstanding Repayment Instalments and the Balloon Instalment in order of maturity.

6.4 Termination Date

On the Termination Date, the Borrowers shall additionally pay to the Facility Agent for the account of the Finance Parties all other sums then accrued and owing under the Finance Documents.

6.5 Reborrowing

No Borrower may reborrow any part of the Facility which is repaid.

7 PREPAYMENT AND CANCELLATION

7.1 Illegality and Sanctions Laws affecting a Lender

If it becomes unlawful or contrary to Sanctions Laws for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in the Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

(a) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;

(b) upon the Facility Agent notifying the Borrowers, the Available Commitment of that Lender will be immediately cancelled;

(c) the Borrowers shall prepay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Facility Agent has notified the Borrowers or, if earlier, the date specified by the Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation prepaid; and

(d) accrued interest and all other amounts accrued documented for that Lender under the Finance Documents shall be immediately due and payable.

7.2 Change of control

If there is a Change of Control:

(a) the Borrowers and/or the Guarantor shall promptly notify the Facility Agent upon becoming aware of that event; and

(b) if the Majority Lenders so require, the Facility Agent shall, by not less than 10 days' notice to the Borrowers, cancel the Facility and declare the Loan, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Facility will be cancelled and the Loan and all such outstanding interest and other amounts will become immediately due and payable.

In this Clause 7.2 (*Change of control*):

"**Change of Control**" means a change which results in:

(a) The Guarantor (i) ceases to own a minimum of 100 per cent directly or indirectly of the issued membership interest in any of the Borrowers or (ii) no longer has the right or the ability to control, either directly or indirectly, the affairs or the composition of the majority of the board of directors (or equivalent) in any of the Borrowers; or

(b) Navios Maritime Holdings Inc. and/or Mrs. Angeliki Frangou and her direct descendants (either directly or indirectly) (through entities owned and controlled by her or trusts or foundations of which she is a beneficiary) or any of their affiliates ceasing to be the owner of, or having ultimate control of the voting rights attaching to more than five per cent. (5%) of all the units (including for the avoidance of doubt both general partner units and common units) in the Guarantor; or

(c) Mrs. Angeliki Frangou and her direct descendants (either directly or indirectly) (through entities owned and controlled by her or trusts or foundations of which she is a beneficiary) or any of their affiliates, ceasing to be the owner of, or having ultimate control of the voting rights attaching to all the issued shares in the general partner of the Guarantor, which is currently Olympos Maritime Ltd; or

(d) Mrs. Angeliki Frangou ceasing to act as chairman or chief executive officer of the Guarantor and Olympos Maritime Ltd ceasing to be the general partner of the Guarantor; or

(e) any person or group of persons acting in concert, other than Navios Maritime Holdings Inc., Mrs Angeliki Frangou and her direct descendants (either directly or indirectly), gaining control of the Guarantor.

For the purpose of paragraph (e) above "**control**" means the holding beneficially issued units of the Guarantor representing 50 per cent. or more of the voting rights.

For the purpose of paragraph (e) above "**acting in concert**" means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Guarantor by any of them, either directly or indirectly, to obtain or consolidate control of the Guarantor.

7.3 Voluntary and automatic cancellation

(a) The Borrowers may, if they give the Facility Agent not less than five RFR Banking Days (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of $1,000,000) of the Available Facility. Any cancellation under this Clause 7.3 (*Voluntary and automatic cancellation*) shall reduce the Commitments of the Lenders rateably.

(b) The unutilised Commitment (if any) of each Lender shall be automatically cancelled at close of business on the date on which the Loan is made available.

7.4 Voluntary prepayment of Loan

(a) The Borrowers may, if they give the Facility Agent no less than five RFR Banking Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of $1,000,000 or an integral multiple of that amount or such lesser amount as may be acceptable to the Majority Lenders).

(b) Subject to Clause 11.3 (*Prepayment Fee*) the Borrowers shall not be permitted to prepay any part of the Loan under paragraph (a) above, if such prepayment would result in more than 5 prepayments having been made within a period of 12 Months, unless such prepayment is made on the last day of the relevant Interest Period.

7.5 Mandatory prepayment on sale, seizure or Total Loss

(a) If a Ship is sold (without prejudice to paragraph (a) of Clause 21.12 (*Disposals*)) or becomes a Total Loss, the Borrowers shall on the Relevant Date prepay the Relevant Amount.

(b) In this Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*):

"**Relevant Amount**" means, in relation to a Ship which has been sold or become a Total Loss, an amount achieved by dividing the Market Value of that Ship by the aggregate of the Market Value of the Ships and multiplying it by the Loan on the Relevant Date.

"**Relevant Date**" means:

(a) in the case of a sale of a Ship, on the date prior to or on which the sale is completed by delivery of that Ship to the buyer of that Ship; and

(b) in the case of a Total Loss of a Ship, on the earlier of:

(i) the date falling 120 days after the Total Loss Date; and

(ii) the date of receipt by the Security Agent of the proceeds of insurance relating to such Total Loss.

7.6 Mandatory prepayment of Hedging Prepayment Proceeds

At any time following the occurrence of an Event of Default, any Hedging Prepayment Proceeds arising as a result of any cancellation or prepayment under this Agreement shall, following payment into the relevant Earnings Account in accordance with Clause 25.2 (*Payment of Earnings*), be applied in prepayment of the Loan against the Repayment Instalments and the Balloon Instalment, *pro rata*.

7.7 Right of replacement or repayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by a Borrower is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*) or under that clause as incorporated by reference or in full in any other Finance Document; or

(ii) any Lender claims indemnification from a Borrower under Clause 12.3 (*Tax indemnity*) or Clause 13 (*Increased costs*),

the Borrowers may, whilst the circumstance giving rise to the requirement for that increase, indemnification or consent continues and provided that there is no Event of Default which is continuing, give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan or give the Facility Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

(b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.

(c) On the last day of each Interest Period which ends after the Borrowers have given notice of cancellation under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrowers in that notice), the Borrowers shall repay that Lender's participation in the Loan.

(d) The Borrowers may, in the circumstances set out in paragraph (a) above, on 15 Business Days' prior notice to the Facility Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders and the Hedge Counterparties*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrowers which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 27 (*Changes to the Lenders and the Hedge Counterparties*) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the Loan and all accrued interest (to the extent that the Facility Agent has not given a notification under Clause 27.10 (*Pro rata interest settlement*)) and other amounts payable in relation thereto under the Finance Documents.

(e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:

(i) the Borrowers shall have no right to replace a Lender acting in its capacity as a Servicing Party;

(ii) the replacement Lender shall be acceptable to the Facility Agent unless it is an existing Lender or an Affiliate of an existing Lender;

(iii) neither the Facility Agent nor any Lender shall have any obligation to find a replacement Lender;

(iv) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and

(v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.

(f) A Lender shall perform the checks described in sub-paragraph (v) of paragraph (e) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Facility Agent and the Borrowers when it is satisfied that it has complied with those checks.

7.8 Restrictions

(a) Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment and, if relevant, the part of the Loan to be prepaid or cancelled.

(b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and amounts (if any) payable under the Hedging Agreements in connection with that prepayment and without premium or penalty.

(c) No Borrower may reborrow any part of the Facility which is prepaid.

(d) No Borrower shall repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

(e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

(f) If the Facility Agent receives a notice under this Clause 7 (*Prepayment and Cancellation*) it shall promptly forward a copy of that notice to either the Borrowers or the affected Lenders and/or Hedge Counterparties, as appropriate.

(g) If all or part of any Lender's participation in the Loan is repaid or prepaid, an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

7.9 Application of prepayments

Any prepayment of any part of the Loan (other than a prepayment pursuant to Clause 7.1 (*Illegality and Sanctions Laws affecting a Lender*)) or Clause 7.7 (*Right of replacement or repayment and cancellation in relation to a single Lender*) shall be applied pro rata to each Lender's participation in that part of the Loan.

SECTION 5

COSTS OF UTILISATION

8 INTEREST

8.1 Calculation of interest

(a) The rate of interest on the Loan or any part of the Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of:

(i) the Margin; and

(ii) the Compounded Reference Rate for that day.

(b) If any day during an Interest Period for the Loan or any part of the Loan is not an RFR Banking Day, the rate of interest on the Loan or that part of the Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

8.2 Payment of interest

The Borrowers shall pay accrued interest on the Loan or any part of the Loan on the last day of each Interest Period (each an "**Interest Payment Date**").

8.3 Default interest

(a) If a Transaction Obligor fails to pay any amount payable by it under a Finance Document other than a Hedging Agreement on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which is 2 per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Facility Agent. Any interest accruing under this Clause 8.3 (*Default interest*) shall be immediately payable by the Obligor on demand by the Facility Agent.

(b) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

8.4 Notifications

(a) The Facility Agent shall no later than 3 Business Days (if possible otherwise promptly upon an Interest Payment being determinable) prior to each Interest Payment Date, notify:

(i) the Borrowers of that Interest Payment;

(ii) each Lender of the proportion of that Interest Payment which relates to that Lender's participation in the Loan or the relevant part of the Loan; and

(iii) the Lenders and the Borrowers of:

(A) each applicable rate of interest relating to the determination of that Interest Payment; and

(B) to the extent it is then determinable, the Market Disruption Rate (if any) relating to the Loan or the relevant part of the Loan.

This paragraph (a) shall not apply to any Interest Payment determined pursuant to Clause 10.3 (*Cost of funds*).

(b) The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan.

(c) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to the Loan or any part of the Loan to which Clause 10.3 (*Cost of funds*) applies.

(d) This Clause 8.4 (*Notifications*) shall not require the Facility Agent to make any notification to any Party on a day which is not a Business Day.

8.5 Hedging

(a) The Borrowers may at their option and the option of the relevant Hedge Counterparties enter into Hedging Agreements and shall after that date maintain such Hedging Agreements in accordance with this Clause 8.5 (*Hedging*).

(b) Each Hedging Agreement shall:

(i) be with a Hedge Counterparty and each Hedge Counterparty shall also be a Lender;

(ii) be for a term ending on the relevant Termination Date;

(iii) have settlement dates coinciding with the Interest Payment Dates;

(iv) be based on an ISDA Master Agreement and otherwise in form and substance satisfactory to the Facility Agent; and

(v) provide that the Termination Currency (as defined in the relevant Hedging Agreement) shall be dollars.

(c) The rights of each Borrower under the Hedging Agreements and any Hedge Counterparty Guarantee shall be charged or assigned by way of security under a Hedging Agreement Security.

(d) The parties to each Hedging Agreement must comply with the terms of that Hedging Agreement.

(e) Neither a Hedge Counterparty nor a Borrower may amend, supplement, extend or waive the terms of any Hedging Agreement or Hedge Counterparty Guarantee without the consent of the Security Agent.

(f) Paragraph (e) above shall not apply to an amendment, supplement or waiver that is administrative and mechanical in nature and does not give rise to a conflict with any provision of this Agreement or the Hedging Agreement Security.

(g) If, at any time, the aggregate notional amount of the transactions in respect of the Hedging Agreements exceeds or, as a result of any repayment or prepayment under this Agreement, will exceed the Loan at that time, the Borrowers must promptly notify the Facility Agent and must, at the request of the Facility Agent, reduce the aggregate notional amount of those transactions by an amount and in a manner satisfactory to the Facility Agent so that it no longer exceeds or will not exceed the Loan then or that will be outstanding.

(h) Any reductions in the aggregate notional amount of the transactions in respect of the Hedging Agreements in accordance with paragraph (g) above will be apportioned as between those transactions *pro rata*.

(i) Paragraph (g) above shall not apply to any transactions in respect of any Hedging Agreement under which no Borrower has any actual or contingent indebtedness.

(j) The Facility Agent must make a request under paragraph (g) above if so required by a Hedge Counterparty.

(k) Neither a Hedge Counterparty nor a Borrower may terminate or close out any transactions in respect of any Hedging Agreement (in whole or in part) except:

(i) in accordance with paragraphs (g)-(j) above;

(ii) on the occurrence of an Illegality, (as such expression is defined in the relevant Hedging Agreement);

(iii) in the case of termination or closing out by a Hedge Counterparty, if the Facility Agent serves notice under sub-paragraph (ii) of paragraph (a) of Clause 26.20 (*Acceleration*) or, having served notice under sub-paragraph (iii) of paragraph (a) of Clause 26.20 (*Acceleration*), makes a demand;

(iv) if that Hedge Counterparty ceases to be a Lender or an Affiliate of a Lender pursuant to the terms of this Agreement;

(v) in the case of any other termination or closing out by a Hedge Counterparty or a Borrower, with the consent of the Facility Agent; or

(vi) if the Secured Liabilities (other than in respect of the Hedging Agreements) have been irrevocably and unconditionally paid and discharged in full;

(l) If a Hedge Counterparty or a Borrower terminates or closes out a transaction in respect of a Hedging Agreement (in whole or in part) in accordance with sub-paragraphs (ii) or (in the case of a Hedge Counterparty only) (iii) of paragraph (k) above, it shall promptly notify the Facility Agent of that termination or close out.

(m) If a Hedge Counterparty is entitled to terminate or close out any transaction in respect of any Hedging Agreement under sub-paragraph (iii) of paragraph (k) above, such Hedge Counterparty shall promptly terminate or close out such transaction following a request to do so by the Security Agent.

(n) A Hedge Counterparty may only suspend making payments under a transaction in respect of a Hedging Agreement if a Borrower is in breach of its payment obligations under any transaction in respect of that Hedging Agreement.

(o) Each Hedge Counterparty consents to, and acknowledges notices of, the charging or assigning by way of security by each Borrower pursuant to the relevant Hedging Agreement Security of its rights under the Hedging Agreements to which it is party in favour of the Security Agent.

(p) Any such charging or assigning by way of security is without prejudice to, and after giving effect to, the operation of any payment or close-out netting in respect of any amounts owing under any Hedging Agreement.

(q) The Security Agent shall not be liable for the performance of any of a Borrower's obligations under a Hedging Agreement.

(r) No Borrower or Hedge Counterparty shall assign any of its rights or transfer any of its rights or obligations under a Hedging Agreement or permit a change of Hedge Counterparty Guarantor without the consent of the Security Agent

9 INTEREST PERIODS

9.1 Interest Periods

(a) The Borrowers may select the Interest Period for the Loan in the Utilisation Request. Subject to paragraphs (f) and (h) below and Clause 9.2 (*Changes to Interest Periods*), the Borrowers may select each subsequent Interest Period in respect of the Loan in a Selection Notice.

(b) Each Selection Notice is irrevocable and must be delivered to the Facility Agent by the Borrowers not later than the Specified Time.

(c) If the Borrowers fail to select an Interest Period in the first Utilisation Request or fail to deliver a Selection Notice to the Facility Agent in accordance with paragraphs (a) and (b) above, the relevant Interest Period will, subject to paragraphs (f) and (h) below and Clause 9.2 (*Changes to Interest Periods*), be the period specified in the Reference Rate Terms.

(d) Subject to this Clause 9 (*Interest Periods*), the Borrowers may select an Interest Period of any period specified in the Reference Rate Terms or any other period agreed between the Borrowers, the Facility Agent and the Lenders.

(e) An Interest Period in respect of the Loan or any part of the Loan shall not extend beyond the Termination Date.

(f) In respect of a Repayment Instalment, the Borrowers may request in the relevant Selection Notice that an Interest Period for a part of the Loan equal to such Repayment Instalment shall end on the Repayment Date relating to it and, subject to paragraph (d) above, select a longer Interest Period for the remaining part of the Loan.

(g) The first Interest Period for the Loan shall start on the Utilisation Date and each subsequent Interest Period shall start on the last day of the preceding Interest Period.

(h) Except for the purposes of paragraph (f) above and Clause 9.2 (*Changes to Interest Periods*), the Loan shall have one Interest Period only at any time.

(i) No Interest Period shall be longer than three Months.

9.2 Changes to Interest Periods

(a) In respect of a Repayment Instalment, before the first day of an Interest Period for the Loan, the Facility Agent may establish an Interest Period for a part of the Loan equal to such Repayment Instalment to end on the Repayment Date relating to it and the remaining part of the Loan shall have the Interest Period selected in the relevant Selection Notice, subject to paragraph (d) of Clause 9.1 (*Interest Periods*).

(b) If the Facility Agent makes any change to an Interest Period referred to in this Clause 9.2(a) (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.

9.3 Non-Business Days

Any rules specified as "Business Day Conventions" in the Reference Rate Terms, shall apply to each Interest Period.

10 CHANGES TO THE CALCULATION OF INTEREST

10.1 Interest calculation if no RFR or Central Bank Rate

If:

(a) there is no RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for the Loan or any part of the Loan; and

(b) "Cost of funds will apply as a fallback" is specified in the Reference Rate Terms,

Clause 10.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for that Interest Period.

10.2 Market disruption

If:

(a) a Market Disruption Rate is specified in the Reference Rate Terms; and

(b) before the Reporting Time for the Loan or any part of the Loan, the Facility Agent receives notifications from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 66 2/3 per cent. of the Loan or the relevant part of the Loan as appropriate) that its cost of funds relating to its participation in the Loan or that part of the Loan would be in excess of that Market Disruption Rate,

then Clause 10.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

10.3 Cost of funds

(a) If this Clause 10.3 (*Cost of funds*) applies to the Loan or part of the Loan for an Interest Period, Clause 8.1 (*Calculation of interest*) shall not apply to the Loan or that part of the Loan for that Interest Period and the rate of interest on the Loan or that part of the Loan for that Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Margin; and

(ii) the weighted average of the rates notified to the Facility Agent by each Lender as soon as practicable and in any event by the Reporting Time for the Loan or that part of the Loan to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in the Loan or that part of the Loan.

(b) If this Clause 10.3 (*Cost of funds*) applies and the Facility Agent or the Borrowers so require, the Facility Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.

(c) Subject to Clause 43.4 (*Changes to reference rates*), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.

(d) If paragraph (e) below does not apply and any rate notified to the Facility Agent under sub-paragraph (ii) of paragraph (a) above is less than zero, the relevant rate shall be deemed to be zero.

(e) If this Clause 10.3 (*Cost of funds*) applies pursuant to Clause 10.2 (*Market disruption*) and a Lender's Funding Rate is less than the relevant Market Disruption Rate that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the Market Disruption Rate for the Loan or that part of the Loan.

(f) If this Clause 10.3 (*Cost of funds*) applies but any Lender does not supply a quotation by the time specified in sub-paragraph (ii) of paragraph (a) above, the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.

(g) If this Clause 10.3 (*Cost of funds*) applies, the Facility Agent shall, as soon as is practicable, notify the Borrowers.

11 FEES

11.1 Commitment fee

The Borrowers shall pay to the Facility Agent (for the account of each Lender) a commitment fee as set out in the relevant Fee Letter.

11.2 Arrangement fee

The Borrowers shall pay to the Facility Agent (for distribution to the Mandated Lead Arranger) on the Utilisation Date a non-refundable arrangement fee as set out in the Fee Letter.

11.3 Prepayment Fee

If a prepayment of a Loan results in the limit specified in Clause 7.4(*Voluntary Prepayment of Loan*) being exceeded, the Borrower shall pay a prepayment fee to the Facility Agent (for its own account) in the amount of $5,000 in respect of each such excess prepayment.

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

12 TAX GROSS UP AND INDEMNITIES

12.1 Definitions

(a) In this Agreement:

"**Protected Party**" means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"**Tax Payment**" means either the increase in a payment made by a Borrower to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 12 (*Tax Gross Up and Indemnities*) reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

(c) This Clause 12 (*Tax Gross Up and Indemnities*) shall not apply to any Hedging Agreement.

12.2 Tax gross-up

(a) Each Borrower shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrowers shall promptly upon becoming aware that a Borrower must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the Borrowers and that Borrower.

(c) If a Tax Deduction is required by law to be made by a Borrower, the amount of the payment due from that Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If a Borrower is required to make a Tax Deduction, that Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax indemnity

(a) The Borrowers shall (within three Business Days of demand by the Facility Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or

(B) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall notify the Borrowers.

(d) A Protected Party shall, on receiving a payment from a Borrower under this Clause 12.3 (*Tax indemnity*), notify the Facility Agent.

12.4 Tax Credit

If a Borrower makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was received; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Borrower which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

12.5 Stamp taxes

The Borrowers shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability which that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

12.6 VAT

(a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this sub-paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part of it as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this Clause 12.6 (*VAT*) to any Party shall, at any time when that Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union or equivalent provisions imposed elsewhere) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or representative or head) of that group or unity at the relevant time (as the case may be).

(e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

12.7 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 Finance 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 Borrower is a US Tax Obligor, or the Facility Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:

(i) where a Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;

(ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date; or

(iii) where a Borrower is not a US Tax Obligor, the date of a request from the Facility Agent,

supply to the Facility Agent:

(iv) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or

(v) any withholding statement or other document, authorisation or waiver as the Facility Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.

(f) The Facility Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrowers.

(g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Facility Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Facility Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Facility Agent). The Facility Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrowers.

(h) The Facility Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.

12.8 FATCA Deduction

(a) Each Party may make any FATCA Deduction 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 Facility Agent and the Facility Agent shall notify the other Finance Parties.

13 INCREASED COSTS

13.1 Increased costs

(a) Subject to Clause 13.3 (*Exceptions*), the Borrowers shall, within three Business Days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance 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,

in each case after the date of this Agreement; or

(iii) the implementation, application of or compliance with Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.

(b) In this Agreement:

(i) "**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".

(ii) "**CRD IV**" means:

(A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012, as amended by Regulation (EU) 2019/876;

(B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended by Directive (EU) 2019/878; and

(C) any other law or regulation which implements Basel III.

(iii) "**Increased Costs**" means:

(A) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;

(B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

13.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Borrowers.

(b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

(a) attributable to a Tax Deduction required by law to be made by a Borrower;

(b) attributable to a FATCA Deduction required to be made by a Party;

(c) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied);

(d) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(e) incurred by a Hedge Counterparty in its capacity as such.

14 OTHER INDEMNITIES

14.1 Currency indemnity

(a) If any sum due from a Borrower under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

(i) making or filing a claim or proof against that Borrower; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, that Borrower shall, as an independent obligation, on demand, indemnify each Secured Party to which that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(b) Each Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

(c) This Clause 14.1 (*Currency indemnity*) does not apply to any sum due to a Hedge Counterparty in its capacity as such.

14.2 Other indemnities

(a) Each Borrower shall, on demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:

(i) the occurrence of any Event of Default;

(ii) a failure by a Borrower to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 32 (*Sharing among the Finance Parties*);

(iii) funding, or making arrangements to fund, its participation in the Loan requested by the Borrowers in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Secured Party alone); or

(iv) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers.

(b) Each Borrower shall, on demand, indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate (each such person for the purposes of this Clause 14.2 (*Other indemnities*) an "**Indemnified Person**"), against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by that Indemnified Person pursuant to or in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry, in connection with or arising out of the entry into and the transactions contemplated by the Finance Documents, having the benefit of any Security constituted by the Finance Documents or which relates to the condition or operation of, or any incident occurring in relation to, any Ship unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of that Indemnified Person.

(c) Without limiting, but subject to any limitations set out in paragraph (b) above, the indemnity in paragraph (b) above shall cover any cost, loss or liability incurred by each Indemnified Person in any jurisdiction:

(i) arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions Laws; or

(ii) in connection with any Environmental Claim.

(d) Any Affiliate or any officer or employee of a Finance Party or of any of its Affiliates may rely on this Clause 14.2 (*Other indemnities*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

14.3 Indemnity to the Facility Agent

Each Borrower shall, on demand, indemnify the Facility Agent against:

(a) any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a result of:

(i) investigating any event which it reasonably believes is a Default; or

(ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or

(iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents; and

(b) any cost, loss or liability (other than by gross negligence or wilful misconduct) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on fraud of the Facility Agent in acting as Facility Agent under the Finance Documents.

14.4 Indemnity to the Security Agent

(a) Each Borrower shall, on demand, indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them:

(i) in relation to or as a result of:

(A) any failure by a Borrower to comply with its obligations under Clause 16 (*Costs and Expenses*);

(B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(C) the taking, holding, protection or enforcement of the Finance Documents and the Transaction Security;

(D) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law;

(E) any default by any Transaction Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;

(F) any action by any Transaction Obligor which vitiates, reduces the value of, or is otherwise prejudicial to, the Transaction Security; and

(G) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents,

(ii) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Security Property or the performance of the terms of this Agreement or the other Finance Documents (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

(b) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 14.4 (*Indemnity to the Security Agent*) and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all monies payable to it.

15 MITIGATION BY THE FINANCE PARTIES

15.1 Mitigation

(a) Each Finance Party shall, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality and Sanctions Laws affecting a Lender*), Clause 12 (*Tax Gross Up and Indemnities*) or Clause 13 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.

(b) Paragraph (a) above does not in any way limit the obligations of any Transaction Obligor under the Finance Documents.

15.2 Limitation of liability

(a) Each Borrower shall, on demand, indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if either:

(i) a Default has occurred and is continuing; or

(ii) in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

16 COSTS AND EXPENSES

16.1 Transaction expenses

The Borrowers shall, on demand, pay the Facility Agent, the Security Agent and the Mandated Lead Arranger the amount of all costs and expenses (including legal fees and VAT) reasonably incurred by any Secured Party in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

(a) this Agreement and any other documents referred to in this Agreement or in a Security Document; and

(b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment costs

Subject to Clause 16.4 (*Reference rate transition costs*), if:

(a) a Transaction Obligor requests an amendment, waiver or consent; or

(b) an amendment is required pursuant to Clause 33.9 (*Change of currency*); or

(c) a Transaction Obligor requests, and the Security Agent agrees to, the release of all or any part of the Security Assets from the Transaction Security,

the Borrowers shall, on demand, reimburse each of the Facility Agent and the Security Agent for the amount of all costs and expenses (including legal fees and VAT) reasonably incurred by each Secured Party in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement and preservation costs

The Borrowers shall, on demand, pay to each Secured Party the amount of all costs and expenses (including legal fees and VAT) incurred by that Secured Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document or the Transaction Security and with any proceedings instituted by or against that Secured Party as a consequence of it entering into a Finance Document, taking or holding the Transaction Security, or enforcing those rights.

16.4 Reference rate transition costs

The Borrowers shall on demand reimburse each of the Facility Agent and the Security Agent for the amount of all documented costs and expenses (including legal fees and VAT) reasonably incurred by each Secured Party in connection with:

(a) the negotiation or entry into of any Reference Rate Supplement or Compounding Methodology Supplement; or

(b) any amendment, waiver or consent relating to:

(i) any Reference Rate Supplement or Compounding Methodology Supplement; or

(ii) any change arising as a result of an amendment required under Clause 43.4 (*Changes to reference rates)*.

SECTION 7

JOINT AND SEVERAL LIABILITY OF BORROWERS

17 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

17.1 Joint and several liability

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be joint and several.

17.2 Waiver of defences

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 any other Borrower;

(b) any Lender or the Security Agent entering into any rescheduling, refinancing or other arrangement of any kind with any other Borrower;

(c) any Lender or the Security Agent releasing any other Borrower or any Security created by a Finance Document; or

(d) any time, waiver or consent granted to, or composition with any other Borrower or other person;

(e) the release of any other Borrower or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(f) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any other Borrower or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(g) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other Borrower or any other person;

(h) any amendment, novation, supplement, extension, restatement (however fundamental, and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(i) any unenforceability, illegality or invalidity of any obligation or any person under any Finance Document or any other document or security; or

(j) any insolvency or similar proceedings.

17.3 Principal Debtor

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 any other Borrower under this Agreement.

17.4 Borrower restrictions

(a) Subject to paragraph (b) below, during the Security Period no Borrower shall:

(i) claim any amount which may be due to it from any other Borrower whether in respect of a payment made under, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or

(ii) take or enforce any form of security from any other Borrower for such an amount, or in any way seek to have recourse in respect of such an amount against any asset of any other Borrower; or

(iii) set off such an amount against any sum due from it to any other Borrower; or

(iv) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving any other Borrower; or

(v) exercise or assert any combination of the foregoing.

(b) If during the Security Period, the Facility Agent, by notice to a Borrower, requires it to take any action referred to in paragraph (a) above in relation to any other Borrower, that Borrower shall take that action as soon as practicable after receiving the Facility Agent's notice.

17.5 Deferral of Borrowers' rights

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full and unless the Facility Agent otherwise directs, no Borrower will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

(a) to be indemnified by any other Borrower; or

(b) to claim any contribution from any other Borrower in relation to any payment made by it under the Finance Documents.

18 GUARANTEE AND INDEMNITY – HEDGE GUARANTORS

18.1 Guarantee and indemnity

Each Hedge Guarantor irrevocably and unconditionally jointly and severally:

(a) guarantees to each Hedge Counterparty punctual performance by each Borrower of all that Borrower's obligations under the Hedging Agreements;

(b) undertakes with each Hedge Counterparty that whenever a Borrower does not pay any amount when due under or in connection with any Hedging Agreement, that Hedge Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

(c) agrees with each Hedge Counterparty that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Hedge Counterparty immediately on demand against any documented cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Hedging Agreement on the date when it would have been due. The amount payable by a Hedge Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*) if the amount claimed had been recoverable on the basis of a guarantee.

18.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Borrower under the Hedging Agreements, regardless of any intermediate payment or discharge in whole or in part.

18.3 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Hedge Guarantor under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.4 Waiver of defences

The obligations of each Hedge Guarantor under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*) and in respect of any Transaction Security will not be affected or discharged by an act, omission, matter or thing which, but for this Clause 18.4 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*) or in respect of any Transaction Security (without limitation and whether or not known to it or any Secured Party) including:

(a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;

(b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor or any other person;

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(g) any insolvency or similar proceedings.

18.5 Immediate recourse

Each Hedge Guarantor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Finance Document or to enforce any Transaction Security) before claiming or commencing proceedings under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

18.6 Appropriations

Until all amounts which may be or become payable by the Borrowers under or in connection with the Hedging Agreements have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

(a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Hedge Guarantor shall be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from any Hedge Guarantor or on account of any Hedge Guarantor's liability under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*).

18.7 Deferral of Hedge Guarantors' rights

All rights which each Hedge Guarantor at any time has (whether in respect of this guarantee, a mortgage or any other transaction) against any Borrower, any other Transaction Obligor or their respective assets shall be fully subordinated to the rights of the Secured Parties under the Finance Documents and until the end of the Security Period and unless the Facility Agent otherwise directs, no Hedge Guarantor will exercise any rights which it may have (whether in respect of any Finance Document to which it is a Party or any other transaction) by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*):

(a) to be indemnified by a Transaction Obligor;

(b) to claim any contribution from any third party providing security for, or any other guarantor of, any Transaction Obligor's obligations under the Finance Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;

(d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which any Hedge Guarantor has given a guarantee, undertaking or indemnity under Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*);

(e) to exercise any right of set-off against any Transaction Obligor; and/or

(f) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

If a Hedge Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Transaction Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Facility Agent or as the Facility Agent may direct for application in accordance with Clause 33 (*Payment Mechanics*).

18.8 Additional security

This guarantee and any other Security given by a Hedge Guarantor is in addition to and is not in any way prejudiced by, and shall not prejudice, any other guarantee or Security or any other right of recourse now or subsequently held by any Secured Party or any right of set-off or netting or right to combine accounts in connection with the Finance Documents.

18.9 Applicability of provisions of Guarantee to other Security

Clauses 18.2 (*Continuing guarantee*), 18.3 (*Reinstatement*), 18.4 (*Waiver of defences*), 18.5 (*Immediate recourse*), 18.6 (*Appropriations*), 18.7 (*Deferral of Hedge Guarantors' rights*) and 18.8 (*Additional security*) shall apply, with any necessary modifications, to any Security which a Hedge Guarantor creates (whether at the time at which it signs this Agreement or at any later time) to secure the Secured Liabilities or any part of them.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19 REPRESENTATIONS

19.1 General

Each Borrower makes the representations and warranties set out in this Clause 19 (*Representations*) to each Finance Party on the date of this Agreement.

19.2 Status

(a) It is a corporation, duly incorporated and validly existing in good standing under the law of its jurisdiction of incorporation.

(b) It and each Transaction Obligor has the power to own its assets and carry on its business as it is being conducted.

19.3 Issued Shares and ownership

(a) Each of Borrower A and Borrower B is authorised to issue 500 registered shares with a par value of $1.00 per share, all of which shares have been issued in registered form and are fully paid and non-assessable.

(b) Borrower C is authorised to issue 500 registered and/or bearer shares with a par value of $1.00 per share, all of which shares have been issued in registered form and are fully paid and non-assessable.

(c) The legal title to and beneficial interest in the issued shares in each Borrower is held free of any Security (other than any Existing Security until the Utilisation Date) or any other claim by the Shareholder and each Borrower is 100 per cent. owned indirectly by the Guarantor.

(d) None of the issued shares in each Borrower is subject to any option to purchase, pre-emption rights or similar rights.

19.4 Binding obligations

The obligations expressed to be assumed by it in each Transaction Document to which it is a party are legal, valid, binding and enforceable obligations.

19.5 Validity, effectiveness and ranking of Security

(a) Each Finance Document to which it is a party does now or, as the case may be, will upon execution and delivery and, where applicable, registration as provided for in that Finance Document create, the Security it purports to create over any assets to which such Security, by its terms, relates, and such Security will, when created or intended to be created, be valid and effective.

(b) No third party has or will have any Security (except for Permitted Security) over any assets that are the subject of any Transaction Security granted by it.

(c) The Transaction Security granted by it to the Security Agent or any other Secured Party has or will when created or intended to be created have first ranking priority or such other priority it is expressed to have in the Finance Documents and is not subject to any prior ranking or *pari passu* ranking Security.

(d) No concurrence, consent or authorisation of any person is required for the creation of or otherwise in connection with any Transaction Security.

19.6 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, each Transaction Document to which it is a party do not and will not conflict with:

(a) any law or regulation applicable to it;

(b) the constitutional documents of any Transaction Obligor or any member of the Group; or

(c) any agreement or instrument binding upon it or any member of the Group or any of its assets or any member of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument.

19.7 Power and authority

(a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise:

(i) its entry into, performance and delivery of, each Transaction Document to which it is or will be a party and the transactions contemplated by those Transaction Documents; and

(ii) in the case of each Borrower, its registration of its Ship under its Approved Flag.

(b) No limit on its powers will be exceeded as a result of the borrowing, granting of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

19.8 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and

(b) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect.

19.9 Governing law and enforcement

(a) The choice of governing law of each Transaction Document to which it is a party will be recognised and enforced in its Relevant Jurisdictions.

(b) Any judgment obtained in relation to a Transaction Document to which it is a party in the jurisdiction of the governing law of that Transaction Document will be recognised and enforced in its Relevant Jurisdictions.

19.10 Insolvency

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 26.8 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 26.9 (*Creditors' process*),

has been taken or, to its knowledge, threatened in relation to a member of the Group; and none of the circumstances described in Clause 26.7 (*Insolvency*) applies to a member of the Group.

19.11 No filing or stamp taxes

Under the laws of its Relevant Jurisdictions it is not necessary that the Finance Documents to which it is a party be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents to which it is a party or the transactions contemplated by those Finance Documents except any filing, recording or enrolling or any tax or fee payable in relation to any Transaction Obligor which is referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*) and which will be made or paid promptly after the date of the relevant Finance Document.

19.12 Deduction of Tax

It is not required to make any Tax Deduction from any payment it may make under any Finance Document to which it is a party.

19.13 No default

(a) No Event of Default and, on the date of this Agreement, on the Utilisation Date, no Default is continuing or might reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.

(b) No other event or circumstance is outstanding which constitutes a default or a termination event (however described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

19.14 No misleading information

(a) Any factual information provided by any member of the Group for the purposes of this Agreement was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

(b) The financial projections contained in any such information have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

(c) Nothing has occurred or been omitted from any such information and no information has been given or withheld that results in any such information being untrue or misleading in any material respect.

19.15 Financial Statements

(a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.

(b) The Original Financial Statements give a true and fair view of the Group's financial condition as at the end of the relevant financial year and its and the Group's results of operations during the relevant financial year.

(c) There has been no material adverse change in its assets, business or financial condition (or the assets, business or consolidated financial condition of the Group, in the case of the Guarantor) since 30 September 2023 (other than as disclosed to the Facility Agent prior to the date of this Agreement).

(d) Its and the Guarantor's most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*):

(i) have been prepared in accordance with Clause 20.3 (*Requirements as to financial statements*); and

(ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition as at the end of the relevant financial year and operations during the relevant financial year (consolidated in the case of the Guarantor).

(e) Since the date of the most recent financial statements delivered pursuant to Clause 20.2 (*Financial statements*) there has been no material adverse change in its business, assets or financial condition (or the business or consolidated financial condition of the Group, in the case of the Guarantor).

19.16 Pari passu ranking

Its payment obligations under the Finance Documents to which it is a party 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.

19.17 No proceedings pending or threatened

(a) No litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it or any other Transaction Obligor or any member of the Group.

(b) No judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body which might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it or any other Transaction Obligor or any member of the Group.

19.18 Valuations

(a) All information supplied by it or on its behalf to an Approved Valuer for the purposes of a valuation delivered to the Facility Agent in accordance with this Agreement was true and accurate as at the date it was supplied or (if appropriate) as at the date (if any) at which it is stated to be given.

(b) It has not omitted to supply any information to an Approved Valuer which, if disclosed, would adversely affect any valuation prepared by such Approved Valuer.

(c) There has been no change to the factual information provided pursuant to paragraph (a) above in relation to any valuation between the date such information was provided and the date of that valuation which, in either case, renders that information untrue or misleading in any material respect.

19.19 No breach of laws

It has not (and no other member of the Group has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

19.20 No Charter

No Ship is subject to any Charter other than a Permitted Charter.

19.21 Compliance with Environmental Laws

All Environmental Laws relating to the ownership, operation and management of each Ship and the business of each member of the Group (as now conducted and as reasonably anticipated to be conducted in the future) and the terms of all Environmental Approvals have been complied with.

19.22 No Environmental Claim

No Environmental Claim has been made or threatened against any member of the Group or any Ship which might reasonably be expected to have a Material Adverse Effect.

19.23 No Environmental Incident

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred.

19.24 ISM and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to each Borrower, the Approved Manager and each Ship have been complied with.

19.25 Taxes paid

(a) It is not and no other member of the Group is materially overdue in the filing of any Tax returns and it is not (and no other member of the Group is) overdue in the payment of any amount in respect of Tax.

(b) No claims or investigations are being, or to the best of its knowledge, are reasonably likely to be, made or conducted against it (or any other member of the Group) with respect to Taxes.

19.26 Financial Indebtedness

No Borrower has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

19.27 Overseas companies

No Borrower has delivered particulars, whether in its name stated in the Finance Documents or any other name, of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or, if it has so registered, it has provided to the Facility Agent sufficient details to enable an accurate search against it to be undertaken by the Lenders at the Companies Registry.

19.28 Good title to assets

It has good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

19.29 Ownership

(a) Each Borrower is the sole legal and beneficial owner of the Ship owned by it, its Earnings and its Insurances.

(b) The Shareholder is the sole legal and beneficial owner of all the issued shares in each Borrower.

(c) The Guarantor is the indirect beneficial owner of all the issued shares in the Shareholder.

(d) With effect on and from the date of its creation or intended creation, each Transaction Obligor will be the sole legal and beneficial owner of any asset that is the subject of any Transaction Security created or intended to be created by such Transaction Obligor.

(e) The constitutional documents of each Borrower do not and could not restrict or inhibit any transfer of the shares of any Borrower on creation or enforcement of the security conferred by the Security Documents.

19.30 Centre of main interests and establishments

For the purposes of The Council of the European Union Regulation No. 2015/848 on Insolvency Proceedings (recast) (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is not situated in the US or the United Kingdom and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in such jurisdiction.

19.31 Place of business

No Transaction Obligor has a place of business in the US (save for the Guarantor) or the United Kingdom and its head office functions are carried out at the address stated in Part A of Schedule 1 (*The Parties*).

19.32 No employee or pension arrangements

No Borrower has any employees or any liabilities under any pension scheme.

19.33 Sanctions

No Relevant Person is:

(a) a Restricted Party;

(b) in breach of Sanctions Laws; or

(c) to its knowledge subject to or involved in any complaint, claim, proceeding, formal notice, investigation or other action by any regulatory or enforcement authority or third party concerning any Sanctions Laws.

19.34 US Tax Obligor

No Transaction Obligor is a US Tax Obligor.

19.35 No Money laundering

(a) Each Borrower is acting for its own account in relation to the Loan and in relation to the performance and the discharge of its respective obligations and liabilities under the Finance Documents and the transactions and other arrangements effected or contemplated by the Finance Documents to which such Borrower is a party, and the foregoing will not involve or lead to contravention of any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering.

(b) Without prejudice to any of the foregoing, none of the Transaction Obligors nor any other member of the Group and their respective members, directors, officers, Subsidiaries and, to the best of their knowledge, their Affiliates or employees has engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-Money Laundering laws, regulations or rules in any applicable jurisdiction and each of the Transaction Obligors has instituted and maintains policies and procedures designed to prevent violation of such laws, regulations and rules.

19.36 Validity and completeness of the Deed of Release

(a) The Deed of Release constitutes legal, valid, binding and enforceable obligations of the parties thereto.

(b) No amendments or additions to the Deed of Release have been agreed nor have any rights under the Deed of Release been waived.

19.37 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).

19.38 Repetition

The Repeating Representations are deemed to be made by each Borrower by reference to the facts and circumstances then existing on the date of the Utilisation Request and the first day of each Interest Period.

20 INFORMATION UNDERTAKINGS

20.1 General

The undertakings in this Clause 20 (*Information Undertakings*) remain in force throughout the Security Period unless the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders), may otherwise permit.

20.2 Financial statements

The Borrowers procure that the Guarantor shall supply to the Facility Agent in sufficient copies for all the Lenders:

(a) as soon as they become available, but in any event within 180 days after the end of each of the Guarantor's financial years, commencing with the financial year ended on 31 December 2022, the annual audited consolidated financial statement of the Group for that financial year; and

(b) as soon as the same become available, but in any event within 90 days after the end of each quarter of each of the Guarantor's financial years (ending 31 March, 30 June and 30 September), the unaudited consolidated quarterly financial statements of the Group for that financial quarter.

20.3 Requirements as to financial statements

(a) Each set of financial statements delivered by the Guarantor pursuant to Clause 20.2 (*Financial statements*) shall be certified by an officer of the company as giving a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements were drawn up if it has not been filed with the US Securities and Exchange Commission.

(b) The Borrowers shall procure that each set of financial statements of the Guarantor delivered pursuant to Clause 20.2 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Group unless, in relation to any set of financial statements, it notifies the Facility Agent that there has been a change in GAAP, the accounting practices or reference periods, unless such change is described in the filings made with the US Securities and Exchange Commission, and its auditors (or, if appropriate, the auditors of the Guarantor) deliver to the Facility Agent:

(i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Original Financial Statements were prepared; and

(ii) sufficient information, in form and substance as may be reasonably required by the Facility Agent, to enable the Lenders to determine whether clause 10 (*financial covenants*) of the Guarantee has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

20.4 DAC6

(a) In this Clause 20.4 (*DAC6*), "DAC6" means the Council Directive of 25 May 2018 (2018/822/EU) amending Directive 2011/16/EU or any replacement legislation applicable in the United Kingdom.

(b) The Borrowers shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

(i) promptly upon the making of such analysis or the obtaining of such advice, any analysis made or advice obtained on whether any transaction contemplated by the Transaction Documents or any transaction carried out (or to be carried out) in connection with any transaction contemplated by the Transaction Documents contains a hallmark as set out in Annex IV of DAC6; and

(ii) promptly upon the making of such reporting and to the extent permitted by applicable law and regulation, any reporting made to any governmental or taxation authority by or on behalf of any member of the Group or by any adviser to such member of the Group in relation to DAC6 or any law or regulation which implements DAC6 and any unique identification number issued by any governmental or taxation authority to which any such report has been made (if available).

20.5 Information: miscellaneous

Each Obligor and shall procure that each other Transaction Obligor shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

(a) all material documents dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched unless the contents of such communication have already been disclosed in the filings made with the US Securities and Exchange Commission;

(b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;

(c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which might have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding $1,000,000 in relation to any Borrower or $20,000,000 in relation to any other member of the Group (or their equivalent in any other currency or currencies);

(d) promptly, its constitutional documents where these have been amended or varied unless, in respect of the Guarantor, these changes have been disclosed in the filings with the US Securities and Exchange Commission;

(e) promptly, such further information and/or documents regarding:

(i) each Ship, goods transported on each Ship, its Earnings and its Insurances;

(ii) the Security Assets;

(iii) compliance of the Transaction Obligors with the terms of the Finance Documents;

(iv) the financial condition, business and operations of any member of the Group,

as any Finance Party (through the Facility Agent) may reasonably request; and

(f) promptly, such further information and/or documents as any Finance Party (through the Facility Agent) may reasonably request so as to enable such Finance Party to comply with any laws applicable to it or as may be required by any regulatory authority.

20.6 Notification of Default

(a) Each Borrower shall, and shall procure that each other Transaction Obligor shall, notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).

(b) Promptly upon a request by the Facility Agent, each Borrower shall supply to the Facility Agent a certificate signed by an officer on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.7 Use of websites

(a) Each Obligor may satisfy its obligation under the Finance Documents to which it is a party to deliver any information in relation to those Lenders (the "**Website Lenders**") which accept this method of communication by posting this information onto an electronic website designated by the Borrowers and the Facility Agent (the "**Designated Website**") if:

(i) the Facility Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the relevant Obligor and the Facility Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the relevant Obligor and the Facility Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Facility Agent shall notify the Obligors accordingly and each Obligor shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event each Obligor shall supply the Facility Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Facility Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Obligors or any of them and the Facility Agent.

(c) A Borrower shall promptly upon becoming aware of its occurrence notify the Facility Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) if that Obligor becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If a Borrower notifies the Facility Agent under sub-paragraph (i) or (v) of paragraph (c) above, all information to be provided by the Obligors under this Agreement and the other Finance Documents after the date of that notice shall be supplied in paper form unless and until the Facility Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Facility Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Borrowers shall comply with any such request within 10 Business Days.

20.8 "Know your customer" checks

(a) If:

(i) 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;

(ii) any change in the status of a Transaction Obligor (including, without limitation, a change of ownership of a Transaction Obligor save for the Guarantor) after the date of this Agreement; or

(iii) 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 a Finance Party (or, in the case of sub-paragraph (iii) above, 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, each Borrower shall promptly upon the request of any Finance Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by a Servicing Party (for itself or on behalf of any other Finance Party) or any Lender (for itself or, in the case of the event described in sub-paragraph (iii) above, on behalf of any prospective new Lender) in order for such Finance Party or, in the case of the event described in sub-paragraph (iii) above, 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.

(b) Each Lender shall promptly upon the request of a Servicing Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Servicing Party (for itself) in order for that Servicing Party 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.

21 GENERAL UNDERTAKINGS

21.1 General

The undertakings in this Clause 21 (*General Undertakings*) remain in force throughout the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

21.2 Authorisations

Each Borrower shall, and shall procure that each other Transaction Obligor will, promptly:

(a) obtain, comply with and do all that is necessary to maintain in full force and effect; and

(b) supply certified copies to the Facility Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction or the state of the Approved Flag at any time of each Ship to enable it to:

(i) perform its obligations under the Transaction Documents to which it is a party;

(ii) ensure the legality, validity, enforceability or admissibility in evidence in any Relevant Jurisdiction and in the state of the Approved Flag at any time of each Ship of any Transaction Document to which it is a party; and

(iii) own and operate each Ship (in the case of the Borrowers).

21.3 Compliance with laws

Each Borrower shall, and shall procure that each other Transaction Obligor will, comply in all respects with:

(a) all Sanctions Laws; and

(b) all other laws and regulations to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

21.4 Environmental compliance

Each Borrower shall, and shall procure that each other Transaction Obligor will:

(a) comply with all Environmental Laws applicable to it;

(b) obtain, maintain and ensure compliance with all requisite Environmental Approvals;

(c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law applicable to it,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

21.5 Environmental Claims

Each Borrower shall, and shall procure that each other Transaction Obligor will, (through the Guarantor), promptly upon becoming aware of the same, inform the Facility Agent in writing of:

(a) any Environmental Claim against any member of the Group or Ship which is current, pending or threatened; and

(b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group or Ship,

where the claim, if determined against that member of the Group or Ship, has or is reasonably likely to have a Material Adverse Effect.

21.6 Taxation

(a) Each Borrower shall, and shall procure that each other Transaction Obligor will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:

(i) such payment is being contested in good faith;

(ii) adequate reserves are maintained for those Taxes and the costs required to contest them and both have been disclosed in its latest financial statements delivered to the Facility Agent under Clause 20.2 (*Financial statements*); and

(iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.

(b) No Borrower shall change its residence for Tax purposes.

21.7 Overseas companies

Each Borrower shall, and shall procure that each other Transaction Obligor will, promptly inform the Facility Agent if it delivers to the Registrar particulars required under the Overseas Regulations of any UK Establishment and it shall comply with any directions given to it by the Facility Agent regarding the recording of any Transaction Security on the register which it is required to maintain under The Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009.

21.8 No change to centre of main interests

No Borrower shall change the location of its centre of main interest (as that term is used in Article 3(1) of the Regulation) to either jurisdiction referred to in Clause 19.30 (*Centre of main interests and establishments*) and it will create no "**establishment**" (as that term is used in Article 2(10) of the Regulation) in any jurisdiction.

21.9 Pari passu ranking

Each Borrower shall and shall procure that each other Transaction Obligor will, ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other present and future unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

21.10 Title

(a) Each Borrower shall hold the legal title to, and own the entire beneficial interest, with effect from the Utilisation Date, in:

(i) the Ship owned by it, its Earnings and its Insurances; and

(ii) with effect on and from its creation or intended creation, any other assets the subject of any Transaction Security created or intended to be created by such Borrower.

(b) Each Borrower shall procure that the Guarantor shall hold the legal title to, and own the entire beneficial interest in with effect on and from its creation or intended creation, any assets the subject of any Transaction Security created or intended to be created by the Guarantor.

21.11 Negative pledge

(a) No Borrower shall, and shall procure that no other Transaction Obligor will create, grant, assume or permit to subsist any Security over any of its assets which are, in the case of members of the Group other than the Borrowers, the subject of the Security created or intended to be created by the Finance Documents or to secure any Financial Indebtedness owed by any Guarantor to any member of the Group (save for any such Financial Indebtedness which is subordinated).

(b) No Borrower shall:

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Transaction Obligor or any other member of the Group;

(ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to any Permitted Security.

21.12 Disposals

(a) No Borrower shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including without limitation any Ship, its Earnings or its Insurances).

(b) Paragraph (a) above does not apply to any Charter as all Charters are subject to Clause 23.17 (*Restrictions on chartering, appointment of managers etc.*).

21.13 Merger

No Borrower shall, and shall procure that the Guarantor shall not enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction except in circumstances where the Guarantor is the surviving entity of any such event and there is no Material Adverse Effect on the Guarantor.

21.14 Change of business

(a) Each Borrower shall procure that no substantial change is made to the general nature of the business of the Guarantor or the Group from that carried on at the date of this Agreement.

(b) No Borrower shall engage in any business other than the ownership and operation of its Ship.

21.15 Financial Indebtedness

No Borrower shall incur or permit to be outstanding any Financial Indebtedness except Permitted Financial Indebtedness.

21.16 Expenditure

No Borrower shall incur any expenditure, except for expenditure reasonably incurred in the ordinary course of owning, operating, maintaining and repairing its Ship.

21.17 Issued shares

No Borrower shall:

(a) purchase, cancel, redeem or retire any of its issued shares;

(b) increase or reduce the number of shares that it is authorized to issue or change the par value of such shares or create any new class of shares;

(c) issue any further shares except to the Shareholder and provided such new shares are made subject to the terms of the Shares Security relevant to it immediately upon the issue of such new shares in a manner satisfactory to the Security Agent and the terms of that Shares Security are complied with; or

(d) appoint any further director, officer or secretary of that Borrower (unless the provisions of the Shares Security applicable to that Borrower are complied with).

21.18 Dividends

(a) No Borrower shall, and shall procure that the Guarantor shall not following the occurrence of a Default which is continuing or where any of the following would result in the occurrence of an Event of Default:

(i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its issued shares (or any class of its shares);

(ii) repay or distribute any dividend or share premium reserve; or

(iii) redeem, repurchase, defease, retire or repay any of its issued shares or resolve to do so.

(b) Each Borrower shall procure that the Guarantor will not enter into any other facility agreement pursuant to the terms and conditions of which the Guarantor will be restricted from paying dividends, other than following the occurrence of an Event of Default or where the payment of dividends would result in an Event of Default.

21.19 Other transactions

No Borrower shall:

(a) be the creditor in respect of any loan or any form of credit to any person other than another Obligor and where such loan or form of credit is in the ordinary course of its business and in a manner acceptable to the Facility Agent;

(b) give or allow to be outstanding any guarantee or indemnity in the ordinary course of its business in aggregate not more than $500,000 to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which that Borrower assumes any liability of any other person other than any guarantee or indemnity given under the Finance Documents.

(c) enter into any material agreement other than:

(i) the Transaction Documents;

(ii) any other agreement expressly allowed under any other term of this Agreement; and

(d) enter into any transaction 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) 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.

21.20 Unlawfulness, invalidity and ranking; Security imperilled

No Borrower shall, and shall procure that no other Transaction Obligor will, do (or fail to do) or cause or permit another person to do (or omit to do) anything which is likely to:

(a) make it unlawful or contrary to Sanctions Laws for a Transaction Obligor to perform any of its obligations under the Transaction Documents;

(b) cause any obligation of a Transaction Obligor under the Transaction Documents to cease to be legal, valid, binding or enforceable if that cessation individually or together with any other cessations materially or adversely affects the interests of the Secured Parties under the Finance Documents;

(c) cause any Transaction Document to cease to be in full force and effect;

(d) cause any Transaction Security to rank after, or lose its priority to, any other Security; and

(e) imperil or jeopardise the Transaction Security.

21.21 Further assurance

(a) Each Borrower shall, and shall procure that each other Transaction Obligor will, and in any event within the time period specified by the Security Agent do all such acts (including procuring or arranging any registration, notarisation or authentication or the giving of any notice) or execute or procure execution of all such documents (including assignments, transfers, mortgages, charges, notices, instructions, acknowledgments, proxies and powers of attorney), as the Security Agent may specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s)):

(i) to create, perfect, vest in favour of the Security Agent or protect the priority of the Security or any right of any kind created or intended to be created under or evidenced by the Finance Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of any of the Secured Parties provided by or pursuant to the Finance Documents or by law;

(ii) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Transaction Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Finance Documents;

(iii) to facilitate or expedite the realisation and/or sale of, the transfer of title to or the grant of, any interest in or right relating to the assets which are, or are intended to be, the subject of the Transaction Security or to exercise any power specified in any Finance Document in respect of which the Security has become enforceable; and/or

(iv) to enable or assist the Security Agent to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to any item of the Security Property.

(b) Each Borrower shall, and shall procure that each other Transaction Obligor will, take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Finance Documents.

(c) At the same time as a Borrower delivers to the Security Agent any document executed by itself or another Transaction Obligor pursuant to this Clause 21.21 (*Further assurance*), that Borrower shall deliver, or shall procure that such other Transaction Obligor will deliver, to the Security Agent a certificate signed by one of that Borrower's or Transaction Obligor's officers which shall:

(i) set out the text of a resolution of that Borrower's or Transaction Obligor's directors or member, as applicable, specifically authorising the execution of the document specified by the Security Agent; and

(ii) state that either the resolution was duly passed at a meeting of the directors or member, as applicable, validly convened and held, throughout which a quorum of directors or members entitled to vote on the resolution was present, or that the resolution has been signed by all the directors, members or officers, as applicable, and is valid under that Borrower's or Transaction Obligor's articles of incorporation, limited liability company agreement or limited partnership agreement, as applicable.

21.22 Money Laundering

The Borrowers undertake throughout the Security Period to:

(a) provide the Lenders with information, certificates and any documents required by the Lenders to ensure compliance with any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering; and

(b) notify the Lenders as soon as it becomes aware of any matters evidencing that a breach of any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering may or is about to occur.

21.23 Sanctions

(a) No Borrower shall (and the Borrowers shall ensure that no other Relevant Person will) take any action, make any omission or use (directly or indirectly) any proceeds of the Loan, in a manner that:

(i) is a breach of Sanctions Laws; and/or

(ii) causes (or will cause) a breach of Sanctions Laws by any Finance Party.

(b) No Borrower shall (and the Borrowers shall ensure that no other Relevant Person will) take any action or make any omission that results, or is reasonably likely to result, in it or any Finance Party becoming a Restricted Party.

21.24 Use of proceeds

No proceeds of the Loan shall be lent, contributed or otherwise made available, directly or indirectly, to or for the benefit of a Restricted Party (including to fund any activities or business of a Restricted Party) nor shall they be lent, contributed or otherwise made available, directly or indirectly, to any person or otherwise be applied (i) to fund any activities or business in any country or territory, that, at the time of such funding, is a country or territory which is subject to Sanctions Laws or (ii) in any other manner that would result in a violation of Sanctions Laws by any person (including any person participating in the Loan, whether as a Finance Party or otherwise) or otherwise in a manner or for a purpose prohibited by Sanctions Laws including, but not limited to, in using any benefits of any money, proceeds or services provided by, or received from, the Lenders under this Agreement, in business activities (including, but not limited to, entering into any ship finance acquisition agreement, ship refinancing agreement or charter agreement relating to a vessel, project or asset) subject to Sanctions Laws or related to a country which is subject to Sanctions Laws and/or a Restricted Party.

21.25 Anti-corruption law

(a) No Transaction Obligor shall directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions.

(b) No Transaction Obligor shall directly or indirectly use the proceeds of the Facility for any purpose which would breach the money laundering (as defined in article I of the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC Directive 2005/60/EF (Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing)).

(c) Each Transaction Obligor shall:

(i) conduct its business in compliance with applicable anti-corruption laws; and

(ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

21.26 Listing of Guarantor

The Borrowers shall procure that the Guarantor's shares are listed on the New York Stock Exchange or any other stock exchange acceptable to the Facility Agent.

21.27 No change in financial year

The Borrowers shall procure that the Guarantor shall not change the end of its financial year.

22 INSURANCE UNDERTAKINGS

22.1 General

The undertakings in this Clause 22 (*Insurance Undertakings*) remain in force on and from the Utilisation Date and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

22.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it insured at its expense against:

(a) hull and machinery plus freight interest and hull interest and any other usual marine risks (including excess risks);

(b) war risks, including blocking and trapping and to cover piracy and terrorism if those risks are excluded from fire and usual marine risks cover;

(c) protection and indemnity risks (including freight, demurrage and defence cover without exclusion of any Environmental Incident) with a protection and indemnity association being a member of the International Group of Protection and Indemnity Clubs; and

(d) any other risks against which the Facility Agent acting on the instructions of the Majority Lenders considers, having regard to practices and other circumstances prevailing at the relevant time, it would be reasonable for that Borrower to insure and which are specified by the Facility Agent by notice to that Borrower.

22.3 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 (the "**Agreed Insured Value**"), in an amount on an agreed value basis at least the greater of:

(i) the Market Value of that Ship and;

(ii) 120 per cent. of the amount which when aggregated with the insured value of the other Ships is equal to at least the Loan;

(c) in the case of hull and machinery insurance, in an amount on an agreed value basis of at least 80 per cent. of the Agreed Insured Value of that Ship with the remainder of that Agreed Insured Value being covered by hull interest and freight interest covers;

(d) 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 and in the international marine insurance market;

(e) in the case of protection and indemnity risks, in respect of the full tonnage of its Ship;

(f) on approved terms; and

(g) 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.

22.4 Further protections for the Finance Parties

In addition to the terms set out in Clause 22.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances effected by it shall:

(a) subject always to paragraph (b), name that Borrower, the Guarantor or any Approved Manager as the named assured or co-assureds 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;

and every other named insured has undertaken in writing to the Security Agent (in such form as it requires) that any deductible shall be apportioned between that Borrower and every other named insured in proportion to the gross claims made or paid by each of them and that it shall do all things necessary and provide all documents, evidence and information to enable the Security Agent to collect or recover any moneys which at any time become payable in respect of the obligatory insurances;

(b) whenever the Facility Agent requires, name (or be amended to name) the Security Agent as additional named insured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Agent, but without the Security Agent being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;

(c) name the Security Agent as loss payee with such directions for payment as the Facility Agent may specify;

(d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Agent shall be made without set off, counterclaim or deductions or condition whatsoever;

(e) provide that the obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Agent or any other Finance Party; and

(f) provide that the Security Agent may make proof of loss if that Borrower fails to do so.

22.5 Renewal of obligatory insurances

Each Borrower shall:

(a) at least 21 days before the expiry of any obligatory insurance effected by it:

(i) notify the Facility Agent of the Approved Brokers (or other insurers) and any protection and indemnity or war risks association through or with which it proposes to renew that obligatory insurance and of the proposed terms of renewal; and

(ii) obtain the Facility Agents' approval to the matters referred to in sub-paragraph (i) above;

(b) at least 14 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Facility Agent's approval pursuant to paragraph (a) above; and

(c) procure that the Approved Brokers and/or the approved war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Facility Agent in writing of the terms and conditions of the renewal.

22.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that the Approved Brokers provide the Security Agent with:

(a) *pro forma* copies of all policies relating to the obligatory insurances which they are to effect or renew; and

(b) a letter or letters of undertaking in a form required by the Facility Agent and including undertakings by the Approved Brokers that:

(i) 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 22.4 (*Further protections for the Finance Parties*);

(ii) they will hold such policies, and the benefit of such insurances, to the order of the Security Agent in accordance with such loss payable clause;

(iii) they will advise the Security Agent immediately of any material change to the terms of the obligatory insurances;

(iv) they will, if they have not received notice of renewal instructions from the relevant Borrower or its agents, notify the Security Agent not less than 14 days before the expiry of the obligatory insurances;

(v) if they receive instructions to renew the obligatory insurances, they will promptly notify the Facility Agent of the terms of the instructions;

(vi) they will not set off against any sum recoverable in respect of a claim relating to that Ship 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

(vii) they will arrange for a separate policy to be issued in respect of that Ship forthwith upon being so requested by the Facility Agent.

22.7 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 provide the Security Agent 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 Facility Agent acting on the instructions of Majority Lenders; and

(c) 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.

22.8 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.

22.9 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 Facility Agent or the Security Agent.

22.10 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.

22.11 Compliance with terms of insurances

(a) No Borrower shall 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.

(b) Without limiting paragraph (a) above, each Borrower shall:

(i) 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 sub-paragraph (iii) of paragraph (b) of Clause 22.6 (*Copies of policies; letters of undertaking*)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Facility Agent has not given its prior approval;

(ii) 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;

(iii) make (and promptly supply copies to the Facility Agent of) 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

(iv) not 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, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

22.12 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.

22.13 Settlement of claims

Each Borrower shall:

(a) not settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty; and

(b) do all things necessary and provide all documents, evidence and information to enable the Security Agent to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

22.14 Provision of copies of communications

Each Borrower shall provide the Security Agent, at the time of each such communication, with 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) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

22.15 Provision of information

Each Borrower shall promptly provide the Facility Agent (or any persons which it may designate) with any information which the Facility Agent (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 22.16 (*Mortgagee's interest and additional perils insurances*) or dealing with or considering any matters relating to any such insurances,

and the Borrowers shall, forthwith upon demand, indemnify the Security Agent in respect of all fees and other expenses incurred by or for the account of the Security Agent in connection with any such report as is referred to in paragraph (a) above.

22.16 Mortgagee's interest and additional perils insurances

(a) The Security Agent shall be entitled from time to time to effect, maintain and renew a mortgagee's interest marine insurance and a mortgagee's interest additional perils insurance in such amounts, on such terms, through such insurers and generally in such manner as the Security Agent acting on the instructions of the Majority Lenders may reasonably from time to time consider appropriate.

(b) Each of the insurances referred to in paragraph (a) above shall be in an amount of not less than 110 per cent. of the aggregate of (i) the Loan and (ii) any Available Facility.

(c) The Borrowers shall upon demand fully indemnify the Security Agent in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any insurance referred to in paragraph (a) above or dealing with, or considering, any matter arising out of any such insurance.

23 SHIP UNDERTAKINGS

23.1 General

The undertakings in this Clause 23 (*Ship Undertakings*) remain in force on and from the Utilisation Date and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

23.2 Ships' names and registration

Each Borrower shall, in respect of the Ship owned by it:

(a) keep that Ship registered in its name under the Approved Flag from time to time at its port of registration;

(b) not do or allow to be done anything as a result of which such registration might be suspended, cancelled or imperilled;

(c) not enter into any dual flagging arrangement in respect of that Ship; and

(d) not change the name of that Ship,

provided that any agreed change of name or flag of a Ship shall be subject to:

(i) that Ship remaining subject to Security securing the Secured Liabilities created by a first priority or preferred ship mortgage on that Ship and, if appropriate, a first priority Deed of Covenant collateral to that mortgage (or equivalent first priority Security) on substantially the same terms as the Mortgage and, if applicable, related Deed of Covenant and on such other terms and in such other form as the Facility Agent, acting with the authorisation of the Majority Lenders, shall approve or require; and

(ii) the execution of such other documentation amending and supplementing the Finance Documents as the Facility Agent, acting with the authorisation of the Majority Lenders, shall approve or require.

23.3 Repair and classification

Each Borrower shall keep the Ship owned by it in a good and safe condition and state of repair:

(a) consistent with first class ship ownership and management practice; and

(b) so as to maintain the Approved Classification free of overdue recommendations and conditions.

23.4 Classification society undertaking

Each Borrower shall, in respect of the Ship owned by it, instruct the Approved Classification Society:

(a) to send to the Security Agent, following receipt of a written request from the Security Agent, certified true copies of all original class records held by the Approved Classification Society in relation to that Ship;

(b) to allow the Security Agent (or its agents), at any time and from time to time, to inspect the original class and related records of that Borrower and that Ship at the offices of the Approved Classification Society and to take copies of them;

(c) to notify the Security Agent immediately in writing if the Approved Classification Society:

(i) receives notification from that Borrower or any person that that Ship's Approved 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 that Borrower or that Ship's membership of the Approved Classification Society;

(d) following receipt of a written request from the Security Agent:

(i) to confirm that that Borrower is not in default of any of its contractual obligations or liabilities to the Approved Classification Society, including confirmation that it has paid in full all fees or other charges due and payable to the Approved Classification Society; or

(ii) to confirm that that Borrower is in default of any of its contractual obligations or liabilities to the Approved Classification Society, to specify to the Security Agent in reasonable detail the facts and circumstances of such default, the consequences of such default, and any remedy period agreed or allowed by the Approved Classification Society.

23.5 Modifications

No Borrower shall make any modification or repairs to, or replacement of, any 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.

23.6 Removal and installation of parts

(a) Subject to paragraph (b) below, no Borrower shall remove any material part of any Ship, or any item of equipment installed on any Ship unless:

(i) 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;

(ii) the replacement part or item is free from any Security in favour of any person other than the Security Agent; and

(iii) the replacement part or item becomes, on installation on that Ship, the property of that Borrower and subject to the security constituted by the Mortgage on that Ship and, if applicable, the related Deed of Covenant.

(b) 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 that Borrower.

23.7 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodic or other surveys which may be required for classification purposes and, if so required by the Facility Agent acting on the instructions of the Majority Lenders, provide the Facility Agent, with copies of all survey reports.

23.8 Inspection

Each Borrower shall permit the Security Agent (acting through surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all reasonable times and provided there is no interference with that Ship's operation to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections. The cost of the inspection shall be borne by the Borrowers once per annum, unless an Event of Default has occurred, in which case the cost of all inspections while the Event of Default is continuing shall be borne by the Borrowers.

23.9 Prevention of and release from arrest

(a) Each Borrower shall, in respect of the Ship owned by it, promptly discharge:

(i) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against that Ship, its Earnings or its Insurances;

(ii) all Taxes, dues and other amounts charged in respect of that Ship, its Earnings or its Insurances; and

(iii) all other outgoings whatsoever in respect of that Ship, its Earnings or its Insurances.

(b) Each Borrower shall immediately upon receiving notice of the arrest of the Ship owned by it or of its detention in exercise or purported exercise of any lien or claim, take all steps necessary to procure its release by providing bail or otherwise as the circumstances may require.

23.10 Compliance with laws etc.

Each Borrower shall:

(a) comply, or procure compliance with all laws or regulations:

(i) relating to its business generally; and

(ii) relating to the Ship owned by it, its ownership, employment, operation, management and registration,

including, but not limited to:

(A) the ISM Code;

(B) the ISPS Code;

(C) all Environmental Laws applicable to it;

(D) all Sanctions Laws; and

(E) the laws of the Approved Flag; and

(b) obtain, comply with and do all that is necessary to maintain in full force and effect any Environmental Approvals; and

(c) without limiting paragraph (a) above, not employ the Ship owned by it nor allow its employment, operation or management in any manner contrary to any law or regulation including but not limited to the ISM Code, the ISPS Code, all applicable Environmental Laws and Sanctions Laws (or which would be contrary to Sanctions Laws if Sanctions Laws were binding on each Transaction Obligor).

23.11 ISPS Code

Without limiting paragraph (a) of Clause 23.10 (*Compliance with laws etc.*), each Borrower 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 an ISSC for that Ship; and

(c) notify the Facility Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

23.12 Sanctions Laws and Ship trading

Without limiting Clause 23.10 (*Compliance with laws etc.*), each Borrower shall procure:

(a) that the Ship owned by it shall not be used by or for the benefit of a Restricted Party;

(b) that the Ship owned by it shall not be used in trading in any manner contrary to Sanctions Laws (or which could be contrary to Sanctions Laws if Sanctions Laws were binding on each Transaction Obligor);

(c) that the Ship owned by it shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances; and

(d) that each Charter in respect of the Ship owned by it shall contain, for the benefit of that Borrower, language which gives effect to the provisions of paragraph (c) of Clause 23.10 (*Compliance with laws etc.*) as regards Sanctions Laws and of this Clause 23.12 (*Sanctions Laws and Ship trading*) and which Charter permits refusal of employment or voyage orders if such employment or compliance with such orders results in non-compliance with such provisions or breaches Sanctions Laws (or which would result in a breach of Sanctions Laws if Sanctions Laws were binding on each Obligor).

23.13 Russian oil price cap

(a) Each Borrower undertakes that it will, at all times comply, and require compliance by:

(i) all charterers and sub-charterers of the Ship owned by it;

(ii) all parties with whom a Borrower, a charterer or a sub-charterer enters into a contract of carriage in respect of the Ship owned by it,

with the Russian Oil Price Cap Measures.

(b) Without prejudice to the generality of paragraph (a) above, each Borrower undertakes that it will ensure, or in the case of a sub-charter, require, that each charterparty or contract of carriage in respect of the Ship owned by it will include for the benefit of the Borrower provisions requiring the charterer, sub-charterer or person with whom the Borrower has entered into a contract of carriage to comply with the Russian Oil Price Cap Measures and to provide such information and documentation at such times as is necessary for such Borrower to comply with this Clause 23.13 (*Russian oil price cap*).

(c) Each Borrower undertakes that it will:

(i) on the anniversary of the date of this Agreement in each year, or in the case of the payment of the final Repayment Instalment, on the date of such payment, and with reference to the Reporting Period, provide to the Facility Agent (in English and in sufficient copies for all of the Finance Parties) an attestation substantially in the form set out in Schedule 12 (*Form of Attestation to be issued by each Borrower*) signed by an authorised signatory and such information and documentation as the Facility Agent may require in relation to each carriage of Russian Oil Products;

(ii) without prejudice to paragraph (i), provide the Facility Agent with such information, and at such times, as it may require for the purposes of the Facility Agent or any Finance Party satisfying any record keeping obligations applicable to it under the Russian Oil Price Cap Measures, provide the Facility Agent with such other information in relation to compliance with the Russian Oil Price Cap Measures as the Facility Agent may from time to time reasonably request and comply with such further or additional requirements as the Facility Agent may from time to time require in writing, acting reasonably, in response to changes to any of the Russian Oil Price Cap Measures, or the introduction of similar measures to be enacted and/or enforced by a Sanctions Authority relating to Russian Oil Products.

The obligations in this paragraph (c) are continuing and, in particular, shall survive and remain binding on each Borrower until all attestations and such other information as may be requested pursuant to paragraph (c) of this Clause 23.13 (*Russian oil price cap*) have been received in satisfactory form by the Facility Agent.

(d) Each Borrower will undertake appropriate due diligence on its counterparties to satisfy itself, based on the information available, of the reliability and accuracy of any information provided by such counterparties for the purposes of or relating to satisfying the requirements of, the Russian Oil Price Cap Measures.

(e) Each Borrower agrees that each Finance Party may forward all attestations and other documents which any Borrower may from time to time deliver to the Facility Agent or such Finance Party pursuant to paragraph (c) above to any applicable regulators or to any other party to which the Facility Agent or such Finance Party may be required to forward or disclose such attestations or other documents in accordance with the Russian Oil Price Cap Measures.

23.14 Trading in war zones or excluded areas

In the event of hostilities in any part of the world (whether war is declared or not), no Borrower shall cause or permit any Ship 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:

(a) the prior notification has been given to the Security Agent; and

(b) the Borrower has (at its expense) effected any special, additional or modified insurance cover which the insurers require to ensure that that Ship remains properly insured in accordance with the Finance Documents (including, without limitation, any requirement for the payment of additional or extra insurance premia).

23.15 Provision of information

Without prejudice to Clause 20.5 (*Information: miscellaneous*) each Borrower shall, in respect of the Ship owned by it, promptly provide the Facility Agent with any information which it requests regarding:

(a) that Ship, its employment, position and engagements;

(b) the Earnings and payments and amounts due to its master and crew;

(c) any expenditure incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made by it 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 Facility Agent's request, promptly provide copies of any current Charter relating to that Ship, of any current guarantee of any such Charter, the Ship's Safety Management Certificate and any relevant Document of Compliance.

23.16 Notification of certain events

Each Borrower shall, in respect of the Ship owned by it, immediately notify the Facility Agent by fax, confirmed forthwith by letter, of:

(a) any casualty to that Ship which is or is likely to be or to become a Major Casualty;

(b) any occurrence as a result of which that Ship has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(c) any requisition of that Ship for hire;

(d) any requirement or recommendation made in relation to that Ship by any insurer or classification society or by any competent authority which is not immediately complied with;

(e) any arrest or detention of that Ship or any exercise or purported exercise of any lien on that Ship or the Earnings;

(f) any intended dry docking of that Ship;

(g) any Environmental Claim made against that Borrower or in connection with that Ship, or any Environmental Incident;

(h) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, an Approved Manager or otherwise in connection with that Ship; or

(i) 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;

(j) any notice, or such Borrower becoming aware, of any claim, action, suit, proceedings or investigation against any Transaction Obligor, any of its Subsidiaries or any of their respective directors, officers, employees or agents with respect to Sanctions Laws; or

(k) any circumstances which could give rise to a breach of any representation or undertaking in this Agreement, or any Event of Default, relating to Sanctions Laws,

and each Borrower shall keep the Facility Agent advised in writing on a regular basis and in such detail as the Facility Agent shall require as to that Borrower's, any such Approved Manager's or any other person's response to any of those events or matters.

23.17 Restrictions on chartering, appointment of managers etc.

No Borrower shall, in respect of the Ship owned by it:

(a) let that Ship on demise charter for any period;

(b) enter into any time, voyage or consecutive voyage charter in respect of that Ship other than a Permitted Charter;

(c) amend and/or supplement a Management Agreement in a way that would lead to an Event of Default or terminate a Management Agreement;

(d) appoint a manager of that Ship other than an Approved Manager;

(e) de activate or lay up that Ship; or

(f) 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 the relevant Borrower ensures that that person has first given to the Security Agent 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.

23.18 Notice of Mortgage

Each Borrower shall keep the Mortgage registered against the Ship owned by it as a valid first preferred mortgage, carry on board that Ship a certified copy of the 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 Agent.

23.19 Sharing of Earnings

No Borrower shall enter into any agreement or arrangement for the sharing of any Earnings other than any profit-sharing arrangements on arm's length terms.

23.20 Charterparty Assignment

If any Borrower enters into an Assignable Charter that Borrower shall promptly after the date of such Assignable Charter enter into a Charterparty Assignment and the assignment contemplated thereunder shall be notified to the relevant charterer and any charter guarantor in accordance with the terms of such Charterparty Assignment and that Borrower shall use its commercially reasonable endeavours to obtain an acknowledgment of that Charterparty Assignment from the relevant Charterer and/or charter guarantor, and shall additionally deliver to the Facility Agent such other documents relevant to that Borrower and that Ship equivalent to those referred to at paragraphs 1.2, 1.3, 1.5, 1.8, 2, 6.1 and 6.5 of Part A of Schedule 2 (*Conditions Precedent*) as the Facility Agent may require.

23.21 Inventory of Hazardous Material

Each Borrower shall maintain an Inventory of Hazardous Materials in respect of the Ship owned by it.

23.22 Dismantling of Ships

The Borrowers confirm that they will procure that each Ship and any other Group Vessel will be (or, if sold to an intermediary with the intention of being scrapped, will use their best endeavours to procure), that such Ship and any other Group Vessel will be recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner, in accordance with the provisions of The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 or, with regards to any EU flagged vessels, the EU Ship Recycling Regulation 2013.

23.23 Poseidon Principles

The Borrowers 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 (as specified by the relevant Lender) to the Facility Agent (on behalf of that Lender) of all information necessary in order for that 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 44 (*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.

23.24 Notification of compliance

Each Borrower shall promptly provide the Facility Agent from time to time with evidence (in such form as the Facility Agent requires) that it is complying with this Clause 23 (*Ship Undertakings*).

24 SECURITY COVER

24.1 Minimum required security cover

Clause 24.2 (*Provision of additional security; prepayment*) applies if the Facility Agent notifies the Borrowers that:

(a) the aggregate Market Value of the Ships; plus

(b) the net realisable value of additional Security previously provided under this Clause 24 (*Security Cover*),

is below 125 per cent. of the Loan**.**

24.2 Provision of additional security; prepayment

(a) If the Facility Agent serves a notice on the Borrowers under Clause 24.1 (*Minimum required security cover*), the Borrowers shall, on or before the date falling 30 Business Days after the date on which the Facility Agent's notice is served (the "**Prepayment Date**"), prepay such part of the Loan as shall eliminate the shortfall.

(b) A Borrower may, instead of making a prepayment as described in paragraph (a) above, provide, or ensure that a third party has provided, additional security which:

(i) in the case of cash collateral comprised of US dollars and in the case of a vessel of similar type or age to a Ship shall be deemed satisfactory; and

(ii) which, in the opinion of the Facility Agent acting on the instructions of the Majority Lenders:

(A) has a net realisable value at least equal to the shortfall; and

(B) is documented in such terms as the Facility Agent may reasonably approve or require,

before the Prepayment Date; and conditional upon such security being provided in such manner, it shall satisfy such prepayment obligation.

24.3 Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 24.2 (*Provision of additional security; prepayment*) and which consists of Security over a vessel shall be the Market Value of the vessel concerned.

24.4 Valuations binding

Any valuation under this Clause 24 (*Security Cover*) shall be binding and conclusive as regards each Borrower.

24.5 Provision of information

(a) Each Borrower shall promptly provide the Facility Agent and any shipbroker acting under this Clause 24 (*Security Cover*) with any information which the Facility Agent or the shipbroker may request for the purposes of the valuation.

(b) If any Borrower fails to provide the information referred to in paragraph (a) above by the date specified in the request, the valuation may be made on any basis and assumptions which the shipbroker or the Facility Agent considers prudent.

24.6 Prepayment mechanism

Any prepayment pursuant to Clause 24.2 (*Provision of additional security; prepayment*) shall be made in accordance with the relevant provisions of Clause 7 (*Prepayment and Cancellation*), and each such prepayment shall reduce the Repayment Instalments and the Balloon Instalment falling after such prepayment on a *pro rata* basis by the amount prepaid.

24.7 Provision of valuations

(a) For the purpose of the Utilisation and subject to paragraph (b) below, the Market Value of any Ship shall be determined by reference to the valuation of that Ship as given by an Approved Valuer selected and appointed by the Borrowers and addressed to the Facility Agent or in the event that the Borrowers fail to do so appointed by the Facility Agent. The Agent shall, in its full discretion be entitled to request a second valuation from an Approved Valuer selected and appointed by the Facility Agent, in which case, the Market Value shall be the arithmetic average of the two valuations.

(b) If the two valuations in respect of a Ship obtained pursuant to paragraph (a) above differ by at least 10 per cent., then a third valuation for that Ship shall be obtained from a third Approved Valuer selected by the Facility Agent, appointed by the Facility Agent and such valuation shall be addressed to the Facility Agent and the Market Value of that Ship shall be the arithmetic average of all three such valuations.

(c) The Facility Agent shall be entitled, after the Utilisation Date, to test the security cover requirement under Clause 24.1 (*Minimum required security cover*) by reference to the Market Value of any Ship as determined in accordance with paragraphs (a) to (b) above, semi-annually during the Security Period.

(d) The Facility Agent shall ascertain compliance with clause 10 (*financial covenants*) of the Guarantee by reference to the market value of the Fleet Vessels as provided in the Latest Accounts (as each such term is defined in the Guarantee).

(e) Each of the valuations referred to at paragraphs (a) and (b) above shall be obtained not more than 45 days before the Utilisation Date, while each of the valuations referred to in paragraph (d) above shall be obtained not more than 30 days before the Test Date (as such term is defined in the Guarantee) of the relevant quarter.

(f) The Facility Agent may at any time after an Event of Default has occurred and is continuing obtain valuations of any Ship and any other vessel over which additional security has been created in accordance with Clause 24.2 (*Provision of additional security; prepayment*) from Approved Valuers to enable the Facility Agent to determine the Market Value of that Ship and any other vessel and also for the purpose of testing the security cover requirement under Clause 24.1 (*Minimum required security cover*). The Facility Agent shall be entitled to determine the Market Value of any Ship at any other time.

(g) The valuations referred to in paragraph (a) to (c) above shall be obtained at the cost and expense of the Borrowers and the Borrowers shall within three Business Days of demand by the Facility Agent pay to the Facility Agent all costs and expenses incurred by it in obtaining any such valuation. The cost of the valuations referred to in paragraph (d) for the Borrowers shall be provided semi-annually, unless an Event of Default has occurred or the covenant contained in Clause 24.1 (*Minimum required security cover*) is not complied with, in which case the cost of all valuations shall be borne by the Borrowers.

24.8 Release of additional security

If at any time the Security Agent holds additional security provided under this Clause 24 (*Security cover*) and the Asset Cover Ratio, disregarding the value of any additional security provided (the "**Relevant Security**"), exceeds 125 per cent., the Borrowers may by notice to the Facility Agent (such notice to include evidence satisfactory to the Facility Agent that such compliance has been maintained) and at the Borrowers' expense request the release and discharge of the Relevant Security or, as the case may be, part of it and the Facility Agent shall direct the Security Agent to release and discharge the relevant part of the Relevant Security **Provided that** no Event of Default has occurred and is continuing or will result from such release and discharge and the Finance Parties are indemnified in full to their satisfaction of any documented costs and expenses in connection with such release and discharge.

25 ACCOUNTS AND APPLICATION OF EARNINGS

25.1 Accounts

No Borrower may, without the prior consent of the Facility Agent, maintain any bank account other than its Earnings Account.

25.2 Payment of Earnings

Each Borrower shall ensure that,

(a) subject only to the provisions of the General Assignment to which it is a party, all the Earnings in respect of the Ship owned by it are paid in to its Earnings Account; and

(b) the relevant Hedge Receipts are paid in to its Earnings Account.

25.3 Location of Accounts

Each Borrower shall promptly:

(a) comply with any requirement of the Facility Agent as to the location or relocation of its Earnings Account; and

(b) execute any documents which the Facility Agent specifies to create or maintain in favour of the Security Agent Security over (and/or rights of set-off, consolidation or other rights in relation to) its Earnings Account.

25.4 Restriction on withdrawal

During the Security Period a Borrower may withdraw any sum from its Earnings Account provided that (i) no Event of Default has occurred and is continuing or would occur from such withdrawal and (ii) no notice has been given to that Borrower by the Facility Agent or the Security Agent that such withdrawal is not permitted.

26 EVENTS OF DEFAULT

26.1 General

Each of the events or circumstances set out in this Clause 26 (*Events of Default*) is an Event of Default except for Clause 26.20 (*Acceleration*) and Clause 26.21 (*Enforcement of security*).

26.2 Non-payment

A Transaction Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

(a) its failure to pay is caused by:

(i) administrative or technical error; or

(ii) a Disruption Event; and

(b) payment is made within three Business Days of its due date.

26.3 Specific obligations

A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), clause 10 (*financial covenants*) of the Guarantee, Clause 19.33 (*Sanctions*), Clause 21.10 (*Title*), Clause 21.11 (*Negative pledge*), Clause 21.20 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 22.2 (*Maintenance of obligatory insurances*), Clause 22.3 (*Terms of obligatory insurances*), Clause 22.5 (*Renewal of obligatory insurances*), Clause 23.12 (*Sanctions Laws and Ship Trading*), Clause 23.14 (*Trading in war zones or excluded areas*), save to the extent a breach concerning the obligatory insurances is a technical default which does not affect the validity or coverage (which, for the avoidance of doubt, shall fall under Clause 26.4 (*Other obligations*)), or save to the extent such breach is a failure to pay and therefore subject to Clause 26.2 (*Non-payment*), Clause 24 (*Security Cover*).

26.4 Other obligations

(a) A Transaction Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 26.2 (*Non-payment*) and Clause 26.3 (*Specific obligations*)).

(b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 30 Business Days, or in relation to Clause 21.5 (*Environmental Claims*) 30 days, of the Facility Agent giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of the failure to comply.

26.5 Misrepresentation

Any representation or statement made or deemed to be made by a Transaction Obligor in the Finance Documents or any other document delivered by or on behalf of any Transaction Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

26.6 Cross default

(a) Any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) unless the Transaction Obligor (other than an Approved Manager) 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 (in the reasonable opinion of the Facility Agent) have been set aside for its payment if such proceedings fail.

(c) Any commitment for any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is cancelled or suspended by a creditor of that Transaction Obligor as a result of an event of default (however described).

(d) Any creditor of any Transaction Obligor (other than an Approved Manager) becomes entitled to declare any Financial Indebtedness of that Transaction Obligor (other than the Approved Manager) due and payable prior to its specified maturity as a result of an event of default (however described).

(e) No Event of Default will occur under this Clause 26.6 (*Cross default*) in respect of the Guarantor and the Shareholder if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than $20,000,000 (or its equivalent in any other currency).

26.7 Insolvency

(a) A Transaction Obligor (other than an Approved Manager):

(i) is unable or admits inability to pay its debts as they fall due; or

(ii) is deemed to, or is declared to, be unable to pay its debts under applicable law; or

(b) A moratorium is declared in respect of any indebtedness of any Transaction Obligor (other than an Approved Manager). If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

26.8 Insolvency proceedings

(a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Transaction Obligor (other than an Approved Manager);

(ii) a composition, compromise, assignment or arrangement with any creditor of any Transaction Obligor (other than an Approved Manager);

(iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Transaction Obligor (other than an Approved Manager) or any of its assets; or

(iv) enforcement of any Security over any assets of any Transaction Obligor (other than an Approved Manager),

or any analogous procedure or step is taken in any jurisdiction.

(b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

26.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a Transaction Obligor (other than an Approved Manager) having an aggregate value of $5,000,000 (or the equivalent in any other currency) (other than an arrest or detention of a Ship referred to in Clause 26.14 (*Arrest*)) and is not discharged within 30 days.

26.10 Ownership of the Obligors

There is in respect of any Borrower, a change in its ownership which results in the Guarantor owning directly or indirectly (but if indirectly only through companies with registered shares), less than 100 per cent. of the shares in that Borrower.

26.11 Unlawfulness, invalidity and ranking

(a) It is or becomes unlawful for a Transaction Obligor to perform any of its obligations under the Finance Documents.

(b) Any obligation of a Transaction Obligor under the Finance Documents is not or ceases to be legal, valid, binding or enforceable if that cessation individually or together with any other cessations materially or adversely affects the interests of the Secured Parties under the Finance Documents.

(c) Any Finance Document ceases to be in full force and effect or to be continuing or is or purports to be determined or any Transaction Security is alleged by a party to it (other than a Finance Party) to be ineffective.

(d) Any Transaction Security proves to have ranked after, or loses its priority to, any other Security.

26.12 Security imperilled

Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.

26.13 Cessation of business

Any Transaction Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

26.14 Arrest

Any arrest of a Ship or its detention in the exercise or the purported exercise of any lien or claim unless it is redelivered to the full control of the relevant Borrower within 30 days of such arrest or detention.

26.15 Expropriation

The authority or ability of any member of the Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets other than:

(a) an arrest or detention of a Ship referred to in Clause 26.14 (*Arrest*); or

(b) any Requisition.

26.16 Repudiation and rescission of agreements

A Transaction Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security.

26.17 Litigation

Any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started or threatened, or any judgment or order of a court, arbitral body or agency is made, in relation to any of the Transaction Documents or the transactions contemplated in any of the Transaction Documents or against any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect.

26.18 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

26.19 Sanctions

(a) Any of the Transaction Obligors becomes a Restricted Party or becomes owned or controlled by, or acts directly or indirectly on behalf of, a Restricted Party or any of such persons becomes the owner or controller of a Restricted Party.

(b) Any proceeds of the Loan is made available, directly or indirectly, to or for the benefit of a Restricted Party or otherwise is, directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions Laws.

(c) Any Transaction Obligor is not in compliance with all Sanctions Laws.

26.20 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Facility Agent may, and shall if so directed by the Majority Lenders:

(a) by notice to the Borrowers:

(i) cancel the Available Commitment of each Lender, whereupon they shall immediately be cancelled;

(ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable; and/or

(iii) declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Facility Agent acting on the instructions of the Majority Lenders; and/or

(b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,

and the Facility Agent may serve notices under sub-paragraphs (i), (ii) or (iii) of paragraph (a) above simultaneously or on different dates and any Servicing Party may take any action referred to in paragraph (b) above or Clause 26.21 (*Enforcement of security*) if no such notice is served or simultaneously with or at any time after the service of any of such notice.

26.21 Enforcement of security

On and at any time after the occurrence of an Event of Default the Security Agent may, and shall if so directed by the Majority Lenders, take any action which, as a result of the Event of Default or any notice served under Clause 26.20 (*Acceleration*), the Security Agent is entitled to take under any Finance Document or any applicable law or regulation.

SECTION 9

CHANGES TO PARTIES

27 CHANGES TO THE LENDERS AND THE HEDGE COUNTERPARTIES

27.1 Assignments and transfers by the Lenders

Subject to this Clause 27 (*Changes to the Lenders and the Hedge Counterparties*), a Lender (the "**Existing Lender**") may:

(a) assign any of its rights; or

(b) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**"),

provided that, unless the Parties agree otherwise, a Lender may only, pursuant to this Clause 27 (*Changes to the Lenders and the Hedge Counterparties*), assign any of it rights or, as the case may be, transfer by novation any of its rights and obligations in relation to a minimum amount of $5,000,000 of that Lender's Commitment or, if less, that Lender shall assign or, as the case may be, transfer its rights and, as the case may be, its obligations under the Finance Documents in relation to that Lender's entire Commitment.

27.2 Conditions of assignment or transfer

(a) The consent of the Borrowers is required for an assignment or transfer by an Existing Lender pursuant to Clause 27.1 (*Assignments and transfers by the Lenders*), unless the assignment or transfer is:

(i) to another Lender or an Affiliate of a Lender;

(ii) to a fund which is a Related Fund of that Lender or an Affiliate of that Lender; or

(iii) made at a time when an Event of Default is continuing.

(b) The consent of the Borrowers to an assignment or transfer must not be unreasonably withheld or delayed. Each Borrower will be deemed to have given its consent five Business Days after the Existing lender has requested it unless consent is expressly refused by that Borrower within that time.

(c) An assignment will only be effective on:

(i) receipt by the Facility Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Secured Parties as it would have been under if it had been an Original Lender; and

(ii) performance by the Facility Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Facility Agent shall promptly notify to the Existing Lender and the New Lender.

(d) Each Borrower on behalf of itself and each Transaction Obligor agrees that all rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender's title and of any rights or equities which a Borrower or any other Transaction Obligor had against the Existing Lender.

(e) A transfer will only be effective if the procedure set out in Clause 27.5 (*Procedure for transfer*) is complied with.

(f) If:

(i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

(ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, a Transaction Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross Up and Indemnities*) or under that clause as incorporated by reference or in full in any other Finance Document or Clause 13 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (f) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

(g) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

27.3 Assignment or transfer fee

The New Lender (other than a New Lender which is an affiliate of the Lender) shall, on the date upon which an assignment or transfer takes effect, pay to the Facility Agent (for its own account) a fee of $10,000.

27.4 Limitation of responsibility of Existing Lenders

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

(i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;

(ii) the financial condition of any Transaction Obligor;

(iii) the performance and observance by any Transaction Obligor of its obligations under the Transaction Documents or any other documents; or

(iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties and the Secured Parties that it:

(i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Transaction Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and

(ii) will continue to make its own independent appraisal of the creditworthiness of each Transaction Obligor and its related entities throughout the Security Period.

(c) Nothing in any Finance Document obliges an Existing Lender to:

(i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27 (*Changes to the Lenders and the Hedge Counterparties*); or

(ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Transaction Obligor of its obligations under the Transaction Documents or otherwise.

27.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with this Agreement and delivered in accordance with this Agreement, execute that Transfer Certificate.

(b) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it 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 New Lender.

(c) Subject to Clause 27.10 (*Pro rata interest settlement*), on the Transfer Date:

(i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security, each of the Transaction Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");

(ii) each of the Transaction Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Transaction Obligor and the New Lender have assumed and/or acquired the same in place of that Transaction Obligor and the Existing Lender;

(iii) the Facility Agent, the Security Agent, the Mandated Lead Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Facility Agent, the Security Agent, the Mandated Lead Arranger and the Existing Lenders shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a "**Lender**".

27.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

(b) The Facility Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.

(c) Subject to Clause 27.10 (*Pro rata interest settlement*), on the Transfer Date:

(i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;

(ii) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and

(iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 27.6 (*Procedure for assignment*) to assign their rights under the Finance Documents (but not, without the consent of the relevant Transaction Obligor or unless in accordance with Clause 27.5 (*Procedure for transfer*), to obtain a release by that Transaction Obligor from the obligations owed to that Transaction Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*).

27.7 Copy of Transfer Certificate or Assignment Agreement to Borrowers

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrowers a copy of that Transfer Certificate or Assignment Agreement.

27.8 Additional Hedge Counterparties

(a) The Borrowers or a Lender may request that a Lender or an Affiliate of a Lender becomes an Additional Hedge Counterparty, with the prior approval of the Facility Agent and (in the case of a request by a Lender) the Borrowers, by delivering to the Facility Agent a duly executed Hedge Counterparty Accession Letter.

(b) The relevant Lender or Affiliate will become an Additional Hedge Counterparty when (i) the Facility Agent enters into the relevant Hedge Counterparty Accession Letter and (ii) the relevant Borrowers have entered into any supplemental documentation and/or addenda to any Mortgage as reasonably required by the Facility Agent (which those Borrowers shall do upon the Facility Agent's request).

27.9 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 27 (*Changes to the Lenders and the Hedge Counterparties*), each Lender may without consulting with or obtaining consent from any Transaction Obligor, at any time charge, assign or otherwise create Security 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 to secure obligations to a federal reserve or central bank; and

(b) any charge, assignment or other Security 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 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 for the Lender as a party to any of the Finance Documents; or

(ii) require any payments to be made by a Transaction Obligor other than or in excess of, 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.

27.10 Pro rata interest settlement

(a) If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a "*pro rata* basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 27.5 (*Procedure for transfer*) or any assignment pursuant to Clause 27.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

(i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and

(ii) The rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:

(A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and

(B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 27.10 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 27.10 (*Pro rata interest settlement*) references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

(c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 27.10 (*Pro rata interest settlement*) but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

28 CHANGES TO THE TRANSACTION OBLIGORS

28.1 Assignment or transfer by Transaction Obligors

No Transaction Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents without the prior written consent of the Lenders.

28.2 Release of security

(a) If a disposal of any asset subject to security created by a Security Document is made in the following circumstances:

(i) the disposal is permitted by the terms of any Finance Document;

(ii) all the Lenders agree to the disposal;

(iii) the disposal is being made at the request of the Security Agent in circumstances where any security created by the Security Documents has become enforceable; or

(iv) the disposal is being effected by enforcement of a Security Document,

the Security Agent may release the asset(s) being disposed of from any security over those assets created by a Security Document. However, the proceeds of any disposal (or an amount corresponding to them) must be applied in accordance with the requirements of the Finance Documents (if any).

(b) If the Security Agent is satisfied that a release is allowed under this Clause 28.2 (*Release of security*) (at the request and expense of the Borrowers) each Finance Party must enter into any document and do all such other things which are reasonably required to achieve that release. Each other Finance Party irrevocably authorises the Security Agent to enter into any such document. Any release will not affect the obligations of any other Transaction Obligor under the Finance Documents.

SECTION 10

THE FINANCE PARTIES

29 THE FACILITY AGENT AND THE MANDATED LEAD ARRANGER

29.1 Appointment of the Facility Agent

(a) Each of the Mandated Lead Arranger, the Lenders and the Hedge Counterparties appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.

(b) Each of the Mandated Lead Arranger, the Lenders and the Hedge Counterparties authorises the Facility Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

29.2 Instructions

(a) The Facility Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by:

(A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders; and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).

(b) The Facility Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Facility Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Facility Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in a Finance Document;

(ii) where a Finance Document requires the Facility Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Facility Agent's own position in its personal capacity as opposed to its role of Facility Agent for the relevant Finance Parties.

(e) If giving effect to instructions given by the Majority Lenders would in the Facility Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 43 (*Amendments and Waivers*), the Facility Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Facility Agent) whose consent would have been required in respect of that amendment or waiver.

(f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where it has not received any instructions as to the exercise of that discretion the Facility Agent shall do so having regard to the interests of all the Finance Parties.

(g) The Facility Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

(h) Without prejudice to the remainder of this Clause 29.2 (*Instructions*), in the absence of instructions, the Facility Agent shall not be obliged to take any action (or refrain from taking action) even if it considers acting or not acting to be in the best interests of the Finance Parties. The Facility Agent may act (or refrain from acting) as it considers to be in the best interest of the Finance Parties.

(i) The Facility Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

29.3 Duties of the Facility Agent

(a) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) Subject to paragraph (c) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.

(c) Without prejudice to Clause 27.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrowers*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.

(d) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(e) If the Facility Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(f) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Mandated Lead Arranger or the Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.

(g) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

29.4 Role of the Mandated Lead Arranger

Except as specifically provided in the Finance Documents, the Mandated Lead Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

29.5 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Facility Agent or the Mandated Lead Arranger as a trustee or fiduciary of any other person.

(b) Neither the Facility Agent nor the Mandated Lead Arranger shall be bound to account to other Finance Party for any sum or the profit element of any sum received by it for its own account.

29.6 Application of receipts

Except as expressly stated to the contrary in any Finance Document, any moneys which the Facility Agent receives or recovers in its capacity as Facility Agent shall be applied by the Facility Agent in accordance with Clause 33.5 (*Application of receipts; partial payments*).

29.7 Business with the Group

The Facility Agent and the Mandated Lead Arranger may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

29.8 Rights and discretions

(a) The Facility Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents; and

(B) unless it has received notice of revocation, that those instructions have not been revoked; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Finance Parties) that:

(i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.2 (*Non-payment*));

(ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and

(iii) any notice or request made by any Borrower (other than the Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.

(c) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Facility Agent (and so separate from any lawyers instructed by the Lenders) if the Facility Agent in its reasonable opinion deems this to be desirable.

(e) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Facility Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(f) The Facility Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Facility Agent's gross negligence or wilful misconduct.

(g) Unless a Finance Document expressly provides otherwise the Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under the Finance Documents.

(h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Mandated Lead Arranger is obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(i) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

29.9 Responsibility for documentation

Neither the Facility Agent nor the Mandated Lead Arranger is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Mandated Lead Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(c) any determination as to whether any information provided or to be provided to any Finance Party or Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

29.10 No duty to monitor

The Facility Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or

(c) whether any other event specified in any Transaction Document has occurred.

29.11 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to paragraph (e) of Clause 33.11 (*Disruption to Payment Systems etc.*) or any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent will not be liable for (including, without limitation, for negligence or any other category of liability whatsoever):

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of sub-paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party other than the Facility Agent may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Facility Agent may rely on this paragraph (b) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Facility Agent or the Mandated Lead Arranger carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Facility Agent and the Mandated Lead Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent or the Mandated Lead Arranger.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability (including, without limitation, for negligence or any other category of liability whatsoever) of the Facility Agent arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

29.12 Lenders' indemnity to the Facility Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by a Transaction Obligor pursuant to a Finance Document).

(b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Facility Agent pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Facility Agent to an Obligor.

29.13 Resignation of the Facility Agent

(a) The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.

(b) Alternatively, the Facility Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Facility Agent.

(c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Facility Agent may appoint a successor Facility Agent.

(d) If the Facility Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Facility Agent is entitled to appoint a successor Facility Agent under paragraph (c) above, the Facility Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Facility Agent to become a party to this Agreement as Facility Agent) agree with the proposed successor Facility Agent amendments to this Clause 29 (*The Facility Agent and the Mandated Lead Arranger*) and any other term of this Agreement dealing with the rights or obligations of the Facility Agent consistent with then current market practice for the appointment and protection of corporate trustees.

(e) The retiring Facility Agent shall make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Facility Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(f) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.

(g) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 14.3 (*Indemnity to the Facility Agent*) and this Clause 29 (*The Facility Agent and the Mandated Lead Arranger*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Facility Agent. Any fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(h) The Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (e) above shall be for the account of the Borrowers.

(i) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Facility Agent.

29.14 Confidentiality

(a) In acting as Facility Agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by a division or department of the Facility Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Facility Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.

(c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Mandated Lead Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

29.15 Relationship with the other Finance Parties

(a) Subject to Clause 27.10 (*Pro rata interest settlement*), the Facility Agent may treat the person shown in its records as Lender or Hedge Counterparty at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office or, as the case may be, the Hedge Counterparty:

(i) entitled to or liable for any payment due under any Finance Document on that day; and

(ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender or Hedge Counterparty to the contrary in accordance with the terms of this Agreement.

(b) Each Finance Party shall supply the Facility Agent with any information that the Security Agent may reasonably specify (through the Facility Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Finance Party shall deal with the Security Agent exclusively through the Facility Agent and shall not deal directly with the Security Agent and any reference to any instructions being given by or sought from any Finance Party or group of Finance Parties by or to the Security Agent in this Agreement must be given or sought through the Facility Agent.

(c) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 36.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 36.2 (*Addresses*) and sub-paragraph (ii) of paragraph (a) of Clause 36.5 (*Electronic communication*) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

29.16 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Facility Agent and the Mandated Lead Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(d) the adequacy, accuracy or completeness of any information provided by the Facility Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

(e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

29.17 Facility Agent's management time

Any amount payable to the Facility Agent under Clause 14.3 (*Indemnity to the Facility Agent*), Clause 16 (*Costs and Expenses*) and Clause 29.12 (*Lenders' indemnity to the Facility Agent*) shall include the cost of utilising the Facility Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Facility Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any fee paid or payable to the Facility Agent under Clause 11 (*Fees*).

29.18 Deduction from amounts payable by the Facility Agent

If any Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

29.19 Reliance and engagement letters

Each Secured Party confirms that each of the Mandated Lead Arranger and the Facility Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Mandated Lead Arranger or the Facility Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

29.20 Full freedom to enter into transactions

Without prejudice to Clause 29.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Facility Agent shall be absolutely entitled:

(a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);

(b) to deal in and enter into and arrange transactions relating to:

(i) any securities issued or to be issued by any Transaction Obligor or any other person; or

(ii) any options or other derivatives in connection with such securities; and

(c) to provide advice or other services to any Borrower or any person who is a party to, or referred to in, a Finance Document,

and, in particular, the Facility Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

29.21 Amounts paid in error

(a) If the Facility Agent pays an amount to another Party and the Facility Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

(b) Neither:

(i) the obligations of any Party to the Facility Agent; nor

(ii) the remedies of the Facility Agent,

(whether arising under this Clause 29.21 (*Amounts paid in error*) or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Facility Agent or any other Party).

(c) All payments to be made by a Party to the Facility Agent (whether made pursuant to this Clause 29.21 (*Amounts paid in error*) or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

(d) In this Agreement, "**Erroneous Payment**" means a payment of an amount by the Facility Agent to another Party which the Facility Agent determines (in its sole discretion) was made in error.

30 THE SECURITY AGENT

30.1 Trust

(a) The Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement and shall deal with the Security Property in accordance with this Clause 30 (*The Security Agent*) and the other provisions of the Finance Documents.

(b) Each other Finance Party authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

30.2 Parallel Debt (Covenant to pay the Security Agent)

(a) Each Borrower irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.

(b) The Parallel Debt of a Borrower:

(i) shall become due and payable at the same time as its Corresponding Debt;

(ii) is independent and separate from, and without prejudice to, its Corresponding Debt.

(c) For the purposes of this Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent:

(i) is the independent and separate creditor of each Parallel Debt;

(ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Parallel Debt shall not be held on trust; and

(iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(d) The Parallel Debt of a Borrower shall be:

(i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged; and

(ii) increased to the extent that its Corresponding Debt has increased,

and the Corresponding Debt of a Borrower shall be decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged,

in each case provided that the Parallel Debt of a Borrower shall never exceed its Corresponding Debt.

(e) All amounts received or recovered by the Security Agent in connection with this Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) to the extent permitted by applicable law, shall be applied in accordance with Clause 33.5 (*Application of receipts; partial payments*).

(f) This Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) shall apply, with any necessary modifications, to each Finance Document.

30.3 Enforcement through Security Agent only

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent.

30.4 Instructions

(a) The Security Agent shall:

(i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by:

(A) all Lenders (or the Facility Agent on their behalf) if the relevant Finance Document stipulates the matter is an all Lender decision; and

(B) in all other cases, the Majority Lenders (or the Facility Agent on their behalf); and

(ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).

(b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or the Facility Agent on their behalf) (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

(c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.

(d) Paragraph (a) above shall not apply:

(i) where a contrary indication appears in a Finance Document;

(ii) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;

(iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the relevant Secured Parties.

(iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:

(A) Clause 30.28 (*Application of receipts*);

(B) Clause 30.29 (*Permitted Deductions*); and

(C) Clause 30.30 (*Prospective liabilities*).

(e) If giving effect to instructions given by the Majority Lenders would in the Security Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 43 (*Amendments and Waivers*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.

(f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:

(i) it has not received any instructions as to the exercise of that discretion; or

(ii) the exercise of that discretion is subject to sub-paragraph (iv) of paragraph (d) above,

the Security Agent shall do so having regard to the interests of all the Secured Parties.

(g) The Security Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.

(h) Without prejudice to the remainder of this Clause 30.4 (*Instructions*), in the absence of instructions, the Security Agent may (but shall not be obliged to) take such action in the exercise of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.

(i) The Security Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

30.5 Duties of the Security Agent

(a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

(b) The Security Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.

(c) Except where a Finance Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

(d) If the Security Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

(e) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

30.6 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Security Agent as an agent, trustee or fiduciary of any Transaction Obligor.

(b) The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

30.7 Business with the Group

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

30.8 Rights and discretions

(a) The Security Agent may:

(i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

(ii) assume that:

(A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents;

(B) unless it has received notice of revocation, that those instructions have not been revoked;

(C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and

(iii) rely on a certificate from any person:

(A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.

(b) The Security Agent shall be entitled to carry out all dealings with the other Finance Parties through the Facility Agent and may give to the Facility Agent any notice or other communication required to be given by the Security Agent to any Finance Party.

(c) The Security Agent may assume (unless it has received notice to the contrary in its capacity as security agent for the Secured Parties) that:

(i) no Default has occurred;

(ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and

(iii) any notice or request made by any Borrower (other than the Utilisation Request) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.

(d) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.

(e) Without prejudice to the generality of paragraph (c) above or paragraph (f) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by the Facility Agent or the Lenders) if the Security Agent in its reasonable opinion deems this to be desirable.

(f) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(g) The Security Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:

(i) be liable for any error of judgment made by any such person; or

(ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Security Agent's gross negligence or wilful misconduct.

(h) Unless a Finance Document expressly provides otherwise the Security Agent may disclose to any other Party any information it reasonably believes it has received as security agent under the Finance Documents.

(i) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(j) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

30.9 Responsibility for documentation

None of the Security Agent, any Receiver or Delegate is responsible or liable for:

(a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Mandated Lead Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

30.10 No duty to monitor

The Security Agent shall not be bound to enquire:

(a) whether or not any Default has occurred;

(b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or

(c) whether any other event specified in any Transaction Document has occurred.

30.11 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate), none of the Security Agent nor any Receiver or Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or

(iii) any shortfall which arises on the enforcement or realisation of the Security Property; or

(iv) without prejudice to the generality of sub-paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party other than the Security Agent, that Receiver or that Delegate (as applicable) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this paragraph (b) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

(c) The Security Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Security Agent if the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose.

(d) Nothing in this Agreement shall oblige the Security Agent to carry out:

(i) any "know your customer" or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate, any liability (including, without limitation, for negligence or any other category of liability whatsoever) of the Security Agent or any Receiver or Delegate arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent. Receiver or Delegate or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the

Security Agent, any Receiver or Delegate at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, the Receiver or Delegate has been advised of the possibility of such loss or damages.

30.12 Lenders' indemnity to the Security Agent

(a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) in acting as Security Agent, Receiver or Delegate under the Finance Documents (unless the Security Agent, Receiver or Delegate has been reimbursed by a Transaction Obligor pursuant to a Finance Document).

(b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Security Agent pursuant to paragraph (a) above.

(c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Security Agent to a Borrower.

30.13 Resignation of the Security Agent

(a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.

(b) Alternatively, the Security Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Security Agent.

(c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent may appoint a successor Security Agent.

(d) The retiring Security Agent shall make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

(e) The Security Agent's resignation notice shall only take effect upon:

(i) the appointment of a successor; and

(ii) the transfer, by way of a document expressed as a deed, of all the Security Property to that successor.

(f) Upon the appointment of a successor, the retiring Security Agent shall be discharged, by way of a document executed as a deed, from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 30.25 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of Clause 14.4 (*Indemnity to the Security Agent*) and this Clause 30 (*The Security Agent*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Security Agent. Any fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

(g) The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Borrowers.

(h) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Security Agent.

30.14 Confidentiality

(a) In acting as Security Agent for the Finance Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.

(b) If information is received by a division or department of the Security Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Security Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.

(c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

30.15 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

(a) the financial condition, status and nature of each member of the Group;

(b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;

(d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and

(e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

30.16 Security Agent's management time

(a) Any amount payable to the Security Agent under Clause 14.4 (*Indemnity to the Security Agent*), Clause 16 (*Costs and Expenses*) and Clause 30.12 (*Lenders' indemnity to the Security Agent*) shall include the cost of utilising the Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any fee paid or payable to the Security Agent under Clause 11 (*Fees*).

(b) Without prejudice to paragraph (a) above, in the event of:

(i) a Default;

(ii) the Security Agent being requested by a Transaction Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrowers agree to be of an exceptional nature or outside the scope of the normal duties of the Security Agent under the Finance Documents; or

(iii) the Security Agent and the Borrowers agreeing that it is otherwise appropriate in the circumstances,

the Borrowers shall pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them or determined pursuant to paragraph (c) below.

(c) If the Security Agent and the Borrowers fail to agree upon the nature of the duties, or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrowers or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrowers) and the determination of any investment bank shall be final and binding upon the Parties.

30.17 Reliance and engagement letters

Each Secured Party confirms that the Security Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Security Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

30.18 No responsibility to perfect Transaction Security

The Security Agent shall not be liable for any failure to:

(a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Transaction Obligor to any of the Security Assets;

(b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;

(c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;

(d) take, or to require any Transaction Obligor to take, any step to perfect its title to any of the Security Assets or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or

(e) require any further assurance in relation to any Finance Document.

30.19 Insurance by Security Agent

(a) The Security Agent shall not be obliged:

(i) to insure any of the Security Assets;

(ii) to require any other person to maintain any insurance; or

(iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document,

and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.

(b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Majority Lenders request it to do so in writing and the Security Agent fails to do so within 14 days after receipt of that request.

30.20 Custodians and nominees

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

30.21 Delegation by the Security Agent

(a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.

(b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.

(c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of any such delegate or sub delegate.

30.22 Additional Security Agents

(a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:

(i) if it considers that appointment to be in the interests of the Secured Parties; or

(ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or

(iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Security Agent shall give prior notice to the Borrowers and the Finance Parties of that appointment.

(b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.

(c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

30.23 Acceptance of title

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Transaction Obligor may have to any of the Security Assets and shall not be liable for or bound to require any Transaction Obligor to remedy any defect in its right or title.

30.24 Releases

Upon a disposal of any of the Security Assets pursuant to the enforcement of the Transaction Security by a Receiver, a Delegate or the Security Agent, the Security Agent is irrevocably authorised (at the cost of the Borrowers and without any consent, sanction, authority or further confirmation from any other Secured Party) to release, without recourse or warranty, that property from the Transaction Security and to execute any release of the Transaction Security or other claim over that asset and to issue any certificates of non-crystallisation of floating charges that may be required or desirable.

30.25 Winding up of trust

If the Security Agent, with the approval of the Facility Agent determines that:

(a) all of the Secured Liabilities and all other obligations secured by the Security Documents have been fully and finally discharged; and

(b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Transaction Obligor pursuant to the Finance Documents,

then

(i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and

(ii) any Security Agent which has resigned pursuant to Clause 30.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

30.26 Powers supplemental to Trustee Acts

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

30.27 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement and the other Finance Documents. Where there are any inconsistencies between (i) the Trustee Acts 1925 and 2000 and (ii) the provisions of this Agreement and any other Finance Document, the provisions of this Agreement and any other Finance Document shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement and any other Finance Document shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

30.28 Application of receipts

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document, under Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or in connection with the realisation or enforcement of all or any part of the Security Property (for the purposes of this Clause 30 (*The Security Agent*), the "**Recoveries**") shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the remaining provisions of this Clause 30 (*The Security Agent*)), in the following order of priority:

(a) in discharging any sums owing to the Security Agent (in its capacity as such) other than pursuant to Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or any Receiver or Delegate;

(b) in payment or distribution to the Facility Agent, on its behalf and on behalf of the other Secured Parties, for application towards the discharge of all sums due and payable by any Transaction Obligor under any of the Finance Documents in accordance with Clause 33.5 (*Application of receipts; partial payments*);

(c) if none of the Transaction Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Transaction Obligor; and

(d) the balance, if any, in payment or distribution to the relevant Transaction Obligor.

30.29 Permitted Deductions

The Security Agent may, in its discretion:

(a) set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement; and

(b) pay all Taxes which may be assessed against it in respect of any of the Security Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

30.30 Prospective liabilities

Following enforcement of any of the Transaction Security, the Security Agent may, in its discretion, or at the request of the Facility Agent, hold any Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later payment to the Facility Agent for application in accordance with Clause 30.28 (*Application of receipts*) in respect of:

(a) any sum to the Security Agent, any Receiver or any Delegate; and

(b) any part of the Secured Liabilities,

that the Security Agent or, in the case of paragraph (b) only, the Facility Agent, reasonably considers, in each case, might become due or owing at any time in the future.

30.31 Investment of proceeds

Prior to the payment of the proceeds of the Recoveries to the Facility Agent for application in accordance with Clause 30.28 (*Application of receipts*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the payment from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of Clause 30.28 (*Application of receipts*).

30.32 Currency conversion

(a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at a market rate of exchange.

(b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

30.33 Good discharge

(a) Any payment to be made in respect of the Secured Liabilities by the Security Agent may be made to the Facility Agent on behalf of the Secured Parties and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.

(b) The Security Agent is under no obligation to make the payments to the Facility Agent under paragraph (a) above in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

30.34 Amounts received by Obligors

If any of the Obligors receives or recovers any amount which, under the terms of any of the Finance Documents, should have been paid to the Security Agent, the Borrowers will ensure that such amount received or recovered is held on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement.

30.35 Application and consideration

In consideration for the covenants given to the Security Agent by each Borrower in relation to Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent agrees with each Borrower to apply all moneys from time to time paid by such Borrower to the Security Agent in accordance with the foregoing provisions of this Clause 30 (*The Security Agent*).

30.36 Full freedom to enter into transactions

Without prejudice to Clause 30.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Security Agent shall be absolutely entitled:

(a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in,

a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);

(b) to deal in and enter into and arrange transactions relating to:

(i) any securities issued or to be issued by any Transaction Obligor or any other person; or

(ii) any options or other derivatives in connection with such securities; and

(c) to provide advice or other services to the Borrowers or any person who is a party to, or referred to in, a Finance Document,

and, in particular, the Security Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

31 CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

(a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

(b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or

(c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

32 SHARING AMONG THE FINANCE PARTIES

32.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from a Transaction Obligor other than in accordance with Clause 33 (*Payment Mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due to it under the Finance Documents then:

(a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facility Agent;

(b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 33 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and

(c) the Recovering Finance Party shall, within three Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 33.5 (*Application of receipts; partial payments*).

32.2 Redistribution of payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Transaction Obligor and distribute it among the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 33.5 (*Application of receipts; partial payments*) towards the obligations of that Transaction Obligor to the Sharing Finance Parties.

32.3 Recovering Finance Party's rights

On a distribution by the Facility Agent under Clause 32.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from a Transaction Obligor, as between the relevant Transaction Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Transaction Obligor.

32.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

(a) each Sharing Finance Party shall, upon request of the Facility Agent, pay to the Facility Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and

(b) as between the relevant Transaction Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Transaction Obligor.

32.5 Exceptions

(a) This Clause 32 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Transaction Obligor.

(b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

(i) it notified that other Finance Party of the legal or arbitration proceedings; and

(ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11

ADMINISTRATION

33 PAYMENT MECHANICS

33.1 Payments to the Facility Agent

(a) On each date on which a Transaction Obligor or a Lender is required to make a payment under a Finance Document, that Transaction Obligor or Lender shall make an amount equal to such payment available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.

(b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or Oslo, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

33.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 33.3 (*Distributions to a Transaction Obligor*) and Clause 33.4 (*Clawback and pre-funding*) be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London), as specified by that Party or, in the case of the Loan, to such account of such person as may be specified by the Borrowers in the Utilisation Request.

33.3 Distributions to a Transaction Obligor

The Facility Agent may (with the consent of the Transaction Obligor or in accordance with Clause 34 (*Set-Off*)) apply any amount received by it for that Transaction Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Transaction Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

33.4 Clawback and pre-funding

(a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.

(b) Unless paragraph (c) below applies, if the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

(c) If the Facility Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrowers before receiving funds from the Lenders then if and to the extent that the Facility Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrowers:

(i) the Facility Agent shall notify the Borrowers of that Lender's identity and the Borrowers shall on demand refund it to the Facility Agent; and

(ii) the Lender by whom those funds should have been made available or, if the Lender fails to do so, the Borrowers, shall on demand pay to the Facility Agent the amount (as certified by the Facility Agent) which will indemnify the Facility Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

33.5 Application of receipts; partial payments

(a) If the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by a Transaction Obligor under the Finance Documents, the Facility Agent shall apply that payment towards the obligations of that Transaction Obligor under the Finance Documents in the following order:

(i) **first**, in or towards payment *pro rata* of any unpaid fees, costs and expenses of, and any other amounts owing to, the Facility Agent, the Security Agent, any Receiver or any Delegate under the Finance Documents;

(ii) **secondly**, in or towards payment *pro rata* of any accrued interest and fees due but unpaid to the Lenders under this Agreement;

(iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid to the Lenders under this Agreement;

(iv) **fourthly**, in or towards payment *pro rata* of any periodical payments (not being payments as a result of termination or closing out) due but unpaid to the Hedge Counterparties under the Hedging Agreements;

(v) **fifthly**, in or towards payment *pro rata* of any payments as a result of termination or closing out due but unpaid to the Hedge Counterparties under the Hedging Agreements; and

(vi) **sixthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents; and

(vii) **seventhly,** any surplus shall be paid to the Borrower or to any other person appearing to be entitled to it**.**

(b) The Facility Agent shall, if so directed by the Majority Lenders and the Hedge Counterparties, vary, or instruct the Security Agent to vary (as applicable) the order set out in sub-paragraphs (ii) to (vi) of paragraph (a) above.

(c) Paragraphs (a) and (i) above will override any appropriation made by a Transaction Obligor.

33.6 No set-off by Transaction Obligors

(a) All payments to be made by a Transaction Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

(b) Paragraph (a) above shall not affect the operation of any payment or close-out netting in respect of any amounts owing under any Hedging Agreement.

33.7 Business Days

(a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

(b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

33.8 Currency of account

(a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from a Transaction Obligor under any Finance Document.

(b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

33.9 Change of currency

(a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:

(i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent (after consultation with the Borrowers); and

(ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).

(b) If a change in any currency of a country occurs, this Agreement will, to the extent the Facility Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

33.10 Currency Conversion

(a) For the purpose of, or pending any payment to be made by any Servicing Party under any Finance Document, such Servicing Party may convert any moneys received or recovered by it from one currency to another, at a market rate of exchange.

(b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

33.11 Disruption to Payment Systems etc.

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by a Borrower that a Disruption Event has occurred:

(a) the Facility Agent may, and shall if requested to do so by a Borrower, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facility as the Facility Agent may deem necessary in the circumstances;

(b) the Facility Agent shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;

(c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;

(d) any such changes agreed upon by the Facility Agent and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties and any Transaction Obligors as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 43 (*Amendments and Waivers*);

(e) the Facility Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 33.11 (*Disruption to Payment Systems etc.*); and

(f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

34 SET-OFF

A Finance Party may set off any matured obligation due from a Transaction Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Transaction Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

35 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 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.

36 NOTICES

36.1 Communications in writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

36.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents are:

(a) in the case of the Borrowers, that specified in Schedule 1 (*The Parties*);

(b) in the case of each Lender, each Hedge Counterparty or any other Borrower, that specified in Schedule 1 (*The Parties*) or, if it becomes a Party after the date of this Agreement, that notified in writing to the Facility Agent on or before the date on which it becomes a Party;

(c) in the case of the Facility Agent, that specified in Part D of Schedule 1 (*The Parties*);

(d) in the case of the Security Agent, that specified in Part D of Schedule 1 (*The Parties*);

(e) in the case of the Mandated Lead Arranger, that specified in Part E of Schedule 1 (*The Parties*);

or any substitute address, fax number or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five Business Days' notice.

36.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(i) if by way of fax, when received in legible form; or

(ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 36.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to a Servicing Party will be effective only when actually received by that Servicing Party and then only if it is expressly marked for the attention of the department or officer of that Servicing Party specified in Schedule 1 (*The Parties*) (or any substitute department or officer as that Servicing Party shall specify for this purpose).

(c) All notices from or to a Transaction Obligor shall be sent through the Facility Agent unless otherwise specified in any Finance Document.

(d) Any communication or document made or delivered to the Borrowers in accordance with this Clause will be deemed to have been made or delivered to each of the Transaction Obligors.

(e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

36.4 Notification of address and fax number

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 36.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

36.5 Electronic communication

(a) Any communication to be made or document to be delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:

(i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between a Borrower and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.

(c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Facility Agent or the Security Agent only if it is addressed in such a manner as the Facility Agent or the Security Agent shall specify for this purpose.

(d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.

(e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication being made available in accordance with this Clause 36.5 (*Electronic communication*).

36.6 English language

(a) Any notice given under or in connection with any Finance Document must be in English.

(b) All other documents provided under or in connection with any Finance Document must be:

(i) in English; or

(ii) if not in English, and if so required by the Facility Agent, accompanied by a certified English translation prepared by a translator approved by the Facility Agent and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

36.7 Hedging Agreement

Notwithstanding anything in Clause 1.1 (*Definitions*), references to the Finance Documents or a Finance Document in this Clause do not include any Hedging Agreement entered into by a Borrower with a Hedge Counterparty in connection with the Facility.

37 CALCULATIONS AND CERTIFICATES

37.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

37.2 Certificates and determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

37.3 Day count convention and interest calculation

(a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:

(i) on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice); and

(ii) subject to paragraph (b) below, without rounding.

(b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to 2 decimal places.

38 PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

39 REMEDIES AND WAIVERS

(a) No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

(b) No variation or amendment of a Finance Document shall be valid unless in writing and signed by or on behalf of all the relevant Finance Parties in accordance with the provisions of Clause 43 (*Amendments and Waivers*).

40 ENTIRE AGREEMENT

(a) This Agreement, in conjunction with the other Finance Documents, constitutes the entire agreement between the Parties and supersedes all previous agreements, understandings and arrangements between them, whether in writing or oral, in respect of its subject matter.

(b) Each Borrower acknowledges that it has not entered into this Agreement or any other Finance Document in reliance on, and shall have no remedies in respect of, any representation or warranty that is not expressly set out in this Agreement or in any other Finance Document.

41 SETTLEMENT OR DISCHARGE CONDITIONAL

Any settlement or discharge under any Finance Document between any Finance Party and any Transaction Obligor shall be conditional upon no security or payment to any Finance Party by any Transaction Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

42 IRREVOCABLE PAYMENT

If the Facility Agent considers that an amount paid or discharged by, or on behalf of, a Transaction Obligor or by any other person in purported payment or discharge of an obligation of that Transaction Obligor to a Secured Party under the Finance Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Transaction Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Finance Documents.

43 AMENDMENTS AND WAIVERS

43.1 Required consents

(a) Subject to Clause 43.2 (*All Lender matters*) and Clause 43.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and, in the case of an amendment, the Borrowers and any such amendment or waiver will be binding on all Parties.

(b) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 43 (*Amendments and Waivers*).

(c) Without prejudice to the generality of Clause 29.8 (*Rights and discretions*), the Facility Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.

(d) Paragraph (c) of Clause 27.10 (*Pro rata interest settlement*) shall apply to this Clause 43 (*Amendments and Waivers*).

43.2 All Lender matters

Subject to Clause 43.4 (*Changes to reference rates*), an amendment of or waiver or consent in relation to any term of any Finance Document that has the effect of changing or which relates to:

(a) the definitions of "Majority Lenders", "Sanctions Authority", "Sanctions Laws", "Sanctions List" and "Restricted Party" in Clause 1.1 (*Definitions*);

(b) a postponement to or extension of the date of payment of any amount under the Finance Documents;

(c) a reduction in the Margin or the amount of any payment of principal, interest, fees or commission payable;

(d) a change in currency of payment of any amount under the Finance Documents;

(e) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments rateably under the Facility;

(f) a change to any Transaction Obligor other than in accordance with Clause 28 (*Changes to the Transaction Obligors*);

(g) any provision which expressly requires the consent of all the Lenders;

(h) this Clause 43 (*Amendments and Waivers*);

(i) any change to the preamble (*Background*), Clause 2 (*The Facility*), Clause 3 (*Purpose*), Clause 5 (*Utilisation*), Clause 6.3 (*Effect of cancellation and prepayment on scheduled repayments*), Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*) or Clause 7.6 (*Mandatory prepayment of Hedging Prepayment Proceeds*), Clause 8 (*Interest*), Clause 23.10 (*Compliance with laws etc.*), Clause 25 (*Accounts and Application of Earnings*), Clause 27 (*Changes to the Lenders and the Hedge Counterparties*), Clause 32 (*Sharing among the Finance Parties*), Clause 47 (*Governing Law*) or Clause 48 (*Enforcement*);

(j) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:

(i) the guarantees and indemnities granted under any of clause 2 (*guarantee*) of the Guarantee or Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*) or any other guarantee and indemnity forming part of the Finance Documents;

(ii) the joint and several liability of the Borrowers under Clause 17 (*Joint and Several Liability of the Borrowers*);

(iii) the Security Assets; or

(iv) the manner in which the proceeds of enforcement of the Transaction Security are distributed,

(except in the case of sub-paragraphs (iii) and (iv) above, insofar as it relates to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document);

(k) the release or any material variation of the guarantees and indemnities granted under clause 2.1 (*guarantee and indemnity*) of the Guarantee or Clause 18 (*Guarantee and Indemnity – Hedge Guarantors*), the joint and several liability of the Borrowers under Clause 17 (*Joint and Several Liability of the Borrowers*) or of any Transaction Security or any guarantee, indemnity or subordination arrangement set out in a Finance Document unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document,

shall not be made, or given, without the prior consent of all the Lenders.

43.3 Other exceptions

(a) An amendment or waiver which relates to the rights or obligations of a Servicing Party or the Mandated Lead Arranger (each in their capacity as such) may not be effected without the consent of that Servicing Party or the Mandated Lead Arranger, as the case may be.

(b) An amendment or waiver which relates to and would adversely affect the rights or obligations of a Hedge Counterparty (in its capacity as such) may not be effected without the consent of that Hedge Counterparty.

(c) The Borrowers and the Facility Agent, the Mandated Lead Arranger or the Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.

(d) The relevant Hedge Counterparty and the relevant Borrower may amend, supplement or waive the terms of any Hedging Agreement or Hedge Counterparty Guarantee if permitted by paragraph (f) of Clause 8.5 (*Hedging*).

43.4 Changes to reference rates

(a) Subject to Clause 43.3 (*Other exceptions*), if an RFR Replacement Event has occurred any amendment or waiver which relates to:

(i) providing for the use of a Replacement Reference Rate in place of the RFR; and

(ii)

(A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);

(C) implementing market conventions applicable to that Replacement Reference Rate;

(D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; 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 Reference Rate (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 Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

(b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on the Loan or any part of the Loan under this Agreement to any recommendation of a Relevant Nominating Body which:

(i) relates to the use of the RFR on a compounded basis in the international or any relevant domestic syndicated loan markets; and

(ii) is issued on or after the date of this Agreement,

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

(c) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) or (b) above within 5 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.

(d) In this Clause 43.4 (*Changes to reference rates*):

"**RFR Replacement Event**" means:

(a) the methodology, formula or other means of determining the RFR has, in the opinion of the Majority Lenders and the Borrowers, materially changed;

(b)

(i)

(A) the administrator of the RFR 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 the RFR is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide the RFR;

(ii) the administrator of the RFR publicly announces that it has ceased or will cease, to provide the RFR permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the RFR;

(iii) the supervisor of the administrator of the RFR publicly announces that the RFR has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of the RFR or its supervisor announces that the RFR may no longer be used; or

(c) the administrator of the RFR determines that the RFR 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 Majority Lenders and the Borrowers) temporary; or

(ii) the RFR is calculated in accordance with any such policy or arrangement for a period no less than the period specified as the "RFR Contingency Period" in the Reference Rate Terms; or

(d) in the opinion of the Majority Lenders and the Borrowers, the RFR is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

"**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 Reference Rate**" means a reference rate which is:

(a) formally designated, nominated or recommended as the replacement for the RFR by:

(i) the administrator of the RFR (provided that the market or economic reality that such reference rate measures is the same as that measured by the RFR); 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 Reference Rate" will be the replacement under sub-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 or alternative to the RFR; or

(c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor or alternative to the RFR.

43.5 Borrowers' Intent

Without prejudice to the generality of Clauses 1.2 (*Construction*), 17.2 (*Waiver of defences*) and 18.4 (*Waiver of defences*) and each Borrower expressly confirms that it intends that any guarantee contained in this Agreement or any other Finance Document and any Security created by any Finance Document shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

44 CONFIDENTIAL INFORMATION

44.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 44.2 (*Disclosure of Confidential Information*) and Clause 44.4 (*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.

44.2 Disclosure of Confidential Information

Any Finance Party may disclose:

(a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners, credit insurers and insurers, reinsurers, insurance brokers and Representatives such Confidential Information as that Finance 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 (and in relation to any Confidential Information relating to the Guarantor, if 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) 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 Facility Agent or Security 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 one or more Transaction Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;

(iii) appointed by any Finance 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 (including, without limitation, any person appointed under paragraph (c) of Clause 29.15 (*Relationship with the other Finance Parties*));

(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, arbitrations, administrative or other investigations, proceedings or disputes;

(vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 27.9 (*Security over Lenders' rights*);

(viii) which is a classification society or other entity which a Lender has engaged to make the calculations necessary to enable that Lender to comply with its reporting obligations under the Poseidon Principles;

(ix) who is a Party, a member of the Group or any related entity of a Transaction Obligor;

(x) as a result of the registration of any Finance Document as contemplated by any Finance Document or any legal opinion obtained in connection with any Finance Document; or

(xi) with the consent of the Guarantor;

in each case, such Confidential Information as that Finance 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 sub-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 Finance Party, it is not practicable so to do in the circumstances;

(c) to any person appointed by that Finance Party or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) 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 in to 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 Finance Party;

(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 Obligors if the rating agency 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.

44.3 DAC6

Nothing in any Finance Document shall prevent disclosure of any Confidential Information or other matter to the extent that preventing that disclosure would otherwise cause any transaction contemplated by the Finance Documents or any transaction carried out in connection with any transaction contemplated by the Finance Documents to become an arrangement described in Part II A 1 of Annex IV of Directive 2011/16/EU.

44.4 Disclosure to numbering service providers

(a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Transaction Obligors the following information:

(i) names of Transaction Obligors;

(ii) country of domicile of Transaction Obligors;

(iii) place of incorporation of Transaction Obligors;

(iv) date of this Agreement;

(v) Clause 47 (*Governing Law*);

(vi) the names of the Facility Agent and the Mandated Lead Arranger;

(vii) date of each amendment and restatement of this Agreement;

(viii) amount of Total Commitments;

(ix) currency of the Facility;

(x) type of Facility;

(xi) ranking of Facility;

(xii) Termination Date;

(xiii) changes to any of the information previously supplied pursuant to sub-paragraphs (i) to (xii) above; and

(xiv) such other information agreed between such Finance Party and the Borrowers,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Transaction Obligors 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) Each Obligor represents, on behalf of itself and the other Transaction Obligors, that none of the information set out in sub-paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Facility Agent shall notify the Guarantor and the other Finance Parties of:

(i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facility and/or one or more Transaction Obligors; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Transaction Obligors by such numbering service provider.

44.5 Entire agreement

This Clause 44 (*Confidential Information*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

44.6 Inside information

Each of the Finance 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 Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

44.7 Notification of disclosure

Each of the Finance 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 44.2 (*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;

(b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 44 (*Confidential Information*); and

(c) in respect of any publicity regarding the Facility or any of the terms thereof which shall be agreed in advance by the Guarantor and the Facility Agent unless otherwise required in connection with the Guarantor's reporting obligations under or in connection with the rules and regulations of the SEC and any US Stock Exchange applicable to the Guarantor.

44.8 Continuing obligations

The obligations in this Clause 44 (*Confidential Information*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

(a) the date on which all amounts payable by the Borrowers 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 Finance Party otherwise ceases to be a Finance Party.

45 CONFIDENTIALITY OF FUNDING RATES

45.1 Confidentiality and disclosure

(a) The Facility Agent and each Borrower agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.

(b) The Facility Agent may disclose:

(i) any Funding Rate to the Borrowers pursuant to Clause 8.4 (*Notifications*); and

(ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that 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 Facility Agent and the relevant Lender.

(c) The Facility Agent and each Borrower may disclose any Funding Rate, to:

(i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this sub-paragraph (i) is informed in writing of its confidential nature and that it 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 that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

(ii) any person 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 if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Borrower, as the case may be, it is not practicable to do so in the circumstances;

(iii) any person 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 if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Borrower, as the case may be, it is not practicable to do so in the circumstances; and

(iv) any person with the consent of the relevant Lender.

45.2 Related obligations

(a) The Facility Agent and each Borrower acknowledge that each Funding Rate is or may be price sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and each Borrower undertake not to use any Funding Rate for any unlawful purpose.

(b) The Facility Agent and each Borrower agree (to the extent permitted by law and regulation) to inform the relevant Lender:

(i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (c) of Clause 45.1 (*Confidentiality and disclosure*) 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

(ii) upon becoming aware that any information has been disclosed in breach of this Clause 45 (*Confidentiality of Funding Rates*).

45.3 No Event of Default

No Event of Default will occur under Clause 26.4 (*Other obligations*) by reason only of a Borrower's failure to comply with this Clause 45 (*Confidentiality of Funding Rates*).

46 COUNTERPARTS

Each Finance Document 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 the Finance Document.

SECTION 12

GOVERNING LAW AND ENFORCEMENT

47 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

48 ENFORCEMENT

48.1 Jurisdiction

(a) Unless specifically provided in another Finance Document in relation to that Finance Document, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with any Finance Document (including a dispute regarding the existence, validity or termination of any Finance Document or any non-contractual obligation arising out of or in connection with any Finance Document) (a "**Dispute**").

(b) The Borrowers accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Borrower will argue to the contrary.

(c) This Clause 48.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

48.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Borrower (other than an Borrower incorporated in England and Wales):

(i) irrevocably appoints Hill Dickinson Services (London) Limited at its current address at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England, as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and

(ii) agrees that failure by a process agent to notify the relevant Borrower of the process will not invalidate the proceedings concerned.

(b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrowers (on behalf of the Obligors) must immediately (and in any event within 5 days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

BORROWERS

SIGNED by	/s/ Eleni Georgiou	)
		)
as attorney-in-fact		)
for and on behalf of		)
OINOUSSES SHIPPING CORPORATION		)
in the presence of:		)
Witness' signature:	/s/ Marianna Psarrou	)
Witness' name:	Marianna Psarrou	)
Witness' address:	WATSON FARLEY & WILLIAMS 348 SYNGROU AVENUE KALLITHEA 176 74 ATHENS - GREECE	)

SIGNED by	/s/ Eleni Georgiou	)
		)
as attorney-in-fact		)
for and on behalf of		)
PSARA SHIPPING CORPORATION		)
in the presence of:		)
Witness' signature:	/s/ Marianna Psarrou	)
Witness' name:	Marianna Psarrou	)
Witness' address:	WATSON FARLEY & WILLIAMS 348 SYNGROU AVENUE KALLITHEA 176 74 ATHENS - GREECE	)

SIGNED by	/s/ Eleni Georgiou	)
		)
as attorney-in-fact		)
for and on behalf of		)
TINOS SHIPPING CORPORATION		)
in the presence of:		)
Witness' signature:	/s/ Marianna Psarrou	)
Witness' name:	Marianna Psarrou	)
Witness' address:	WATSON FARLEY & WILLIAMS 348 SYNGROU AVENUE KALLITHEA 176 74 ATHENS - GREECE	)

HEDGE GUARANTORS

SIGNED by	/s/ Eleni Georgiou	)
		)
duly authorised		)
for and on behalf of		)

OINOUSSES SHIPPING CORPORATION)
)
in the presence of:)

Witness' signature: /s/ Marianna Psarrou)
Witness' name: Marianne Psarrou)
Witness' address: WATSON FARLEY & WILLIAMS)
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS – GREECE

SIGNED by /s/ Eleni Georgiou)
)
duly authorised)
for and on behalf of)
PSARA SHIPPING CORPORATION)
)
in the presence of:)

Witness' signature: /s/ Marianna Psarrou)
Witness' name: Marianna Psarrou)
Witness' address: WATSON FARLEY & WILLIAMS)
348 SYNGROU AVENUE
KALLITHEA 176 74

SIGNED by /s/ Eleni Georgiou)
)
duly authorised)
for and on behalf of)
TINOS SHIPPING CORPORATION)
)
in the presence of:)

Witness' signature: /s/ Marianna Psarrou)
Witness' name: Marianna Psarrou)
Witness' address: WATSON FARLEY & WILLIAMS)
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

ORIGINAL LENDERS

SIGNED by /s/ Aikaterina Dimitriou

duly authorised for and on behalf of
NORDEA BANK ABP, FILIAL I NORGE

in the presence of:

Witness' signature: /s/ Marianna Psarrou
Witness' name: Marianna Psarrou
Witness' address: WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

MANDATED LEAD ARRANGER
SIGNED by
duly authorised for and on behalf of
NORDEA BANK ABP, FILIAL I NORGE

/s/ Aikaterina Dimitriou

in the presence of:

Witness' signature: /s/ Marianna Psarrou
Witness' name: Marianna Psarrou
Witness' address: WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

ORIGINAL HEDGE COUNTERPARTY
SIGNED by
duly authorised for and on behalf of
NORDEA BANK ABP, FILIAL I NORGE

/s/ Aikaterina Dimitriou

in the presence of:

Witness' signature: /s/ Marianna Psarrou
Witness' name: Marianna Psarrou
Witness' address: WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

FAILITY AGENT
SIGNED by
duly authorised for and on behalf of
NORDEA BANK ABP, FILIAL I NORGE

/s/ Aikaterina Dimitriou

in the presence of:

Witness' signature: /s/ Marianna Psarrou
Witness' name: Marianna Psarrou
Witness' address: WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

SECURITY AGENT
SIGNED by /s/ Aikaterina Dimitriou
duly authorised for and on behalf of
NORDEA BANK ABP, FILIAL I NORGE

in the presence of:

Witness' signature: /s/ Marianna Psarrou
Witness' name: Marianna Psarrou
Witness' address: WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

BOOKRUNNER
SIGNED by /s/ Aikaterina Dimitriou
duly authorised for and on behalf of
NORDEA BANK ABP, FILIAL I NORGE

in the presence of:

Witness' signature: /s/ Marianna Psarrou
Witness' name: Marianna Psarrou
Witness' address: WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATENS - GREECE

1. Shipbroker **ITOCHU CORPORATION** **TOKBR Section, 5-1, Kita-Aoyama 2-chome,** **Minato-ku, Tokyo, 107-8077, Japan**	**BIMCO STANDARD BAREBOAT CHARTER** **CODE NAME : "BARECON 2001"** PART I 2. Place and date
3. Owners / Place of business (Cl. 1) **Seven Shipping S.A. of Panama**	4. Bareboat Charterers / Place of business (Cl. 1) **Aramis Navigation Inc. of the Marshall Islands**
5. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3) **M/V NAVIOS AZIMUTH 9589839**	
6. Type of Vessel **Bulk Carrier**	7. GT / NT **92,715 / 58,728**
8. When / Where built **2011, Sungdong Shipbuilding & Marine Engineering Co**	9. Total DWT (abt.) in metric tons on ~~summer freeboard~~ **179,168 MT**
10. Classification Society (Cl. 3) **American Bureau of Shipping (ABS)**	11. Date of last special survey by the Vessel's classification society **1st January, 2021**
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** **See Also Clause 32.**
	15. Cancelling date (Cl.5) **As per Clause 5 of the MOA**
16. Port or Place of redelivery (Cl. 3) **At one safe berth or one safe port worldwide in the Charterers' option**	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 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) **SIX(6) years** **(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.	27. Bank guarantee / bond (sum and place) (Cl. 24 (optional)

11) **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) **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 ~~Building~~ 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) **Republic of Panama**
46. Number of additional clauses covering special provisions, if agreed **Clause 32 to 57 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) **Seven Shipping S.A.** **…….../s/ Kenso Matsumura…** **By: Kenso Matsumura** **Title: President**	Signature (Charterers) **Aramis Navigation Inc.** **/s/ Shunti Sasada……** **By: Shunti Sasada** **Title:**

Additional Clauses

to

the Bareboat Charter Party dated 22nd February, 2024 (this "Charter") by

Seven Shipping S.A. of Panama as owner (the "Owners") and

Aramis Navigation Inc. of the Marshall Islands as charterer (the "Charterers")

in respect of

MV "Navios AZIMUTH" (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) In the event that the Vessel is not delivered to Owners under the MOA for any reason thereto, this Charter shall automatically terminate and the Owners shall immediately pay the Deposit of USD7,200,000.- to the Charterers without setoff or deduction.

(c) 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.

(d) 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 SIX (6) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the "Delivery Date"), 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.

The Charter Hire shall be the aggregate of the Fixed Hire and Variable Hire for the applicable month to be calculated in accordance with the following formulas:

"Fixed Hire": USD143,057 per month

"Variable Hire": Outstanding Balance * (Term SOFR 1 Month + 225bps) * (Number of days) of the Hire period to which the calculation is to apply/360 days

"Term SOFR 1 Month" means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant 30 calendar days period published (before any correction, recalculation or republication by the administrator) 2 United States' Banking Days before the first day of the relevant 30 calendar days period.

Should the Term SOFR falls to negative interest rate, zero (0) is to be applied as Term SOFR.

Applicable one (1) month CME Term SOFR to be confirmed fourteen (14) Banking Days prior to hire due date (The both parties to discuss again about the exact date when the date for delivery of the vessel gets closer.). 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 such due date.

The outstanding balance owed by the Charterers to the Owners (the "Outstanding Balance") is calculated at each point in time as the Vessel's Purchase Price under the MOA less the then total Fixed Hire already paid by the Charterers. An indicative schedule is appended to the BBC agreement, at Appendix D which shall be adjusted accordingly to the exact date of delivery.

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 SAN-IN GODO 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 three (3) 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 Secured Overnight Financing 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 modifications made to the Vessel which are compulsory for the Vessel to comply with change to rules and regulations 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) The Owners will arrange the Vessel's registration under Panama flag and recordation of their mortgage and for the issuance of all Vessel's initial certificates of the flag at the Owners' cost (excluding, for the avoidance of doubt, the costs to be paid by the Charterers under Clause 57 (a) hereof). Also the Owners are responsible to arrange for the renewal of such certs at the Owners' cost (excluding, for the avoidance of doubt, the costs to be paid by the Charterers under Clause 57 (a) hereof) throughout the Charter Period

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 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 and applied in accordance with clause 40 (e);

(ii) All other recoveries not exceeding United States Dollars Two million (US$2,000,000.00) 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 Two million (US$2,000,000.00) 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$ 18,48 Mil
2	US$ 16.59 Mil
3	US$ 14.70 Mil
4	US$ 12.81 Mil
5	US$ 10.93 Mil

(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 Clause25 (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 Termination Amount (as defined below) as at the Date of Loss, and

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

"Termination Amount" shall mean:

in case that Date of Loss is at or after the end of 4th year of the Charter Period, the Termination Amount shall be equal to the Purchase Option Price payable under Clause 49 which shall be calculated based on the Date of Loss; and

(A) in case that the Date of Loss is before the 4th year of the Charter Period, the Termination Amount shall be as follows:

(date)	(amount)
as at the Delivery Date:	USD 17,516,667
at the end of 1st year of the Charter Period:	USD 15,800,000
at the end of 2nd year of the Charter Period:	USD 14,083,334
at the end of 3rd year of the Charter Period:	USD 12,336,667

provided that, in relation to (B), if Date of Loss is between the two dates as specified above, then the Termination Amount shall be adjusted proportionally on the basis of 360 days a year.

(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 or within ten (10) Banking Days following the due date of payment 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 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 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 forty-five (45) days (or such longer period as the Owners shall reasonably agree 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) A 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, 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 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 Termination Amount (as defined in Clause 40(e)) to be calculated based on the Termination Date PROVIDED ALWAYS that if the said market value exceeds the aggregate of (A) and (B) and the Termination Amount, 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.

For the avoidance of any doubt, in accordance with the provision of Clause 49 herein, no additional amount shall be paid by the Owners to the Charterers under this Clause 42(e) in respect the Deposit if this Charter is terminated by reason of a Termination Event

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 colors, 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 SAN-IN GODO 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 of Quiet Enjoyment in a form and substance 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 of Quiet Enjoyment in favour of the Charterers in the same form as that provided by the Mortgagee or the form 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 acceptable to Charterers and the Assignee.

Owners shall procure that any mortgage and charterhire assignment shall be subject to this Charter and to the rights of the Charterers hereunder, in accordance with, and subject to, a Letter 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 of quiet enjoyment in such form and content as is reasonably acceptable to the Charterers, and the effectiveness of this assignment clause is subject to the agreement of a letter of Quiet Enjoyment before delivery of the Vessel.

45. REDELIVERY INSPECTION

Prior to redelivery 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 keep prominently displayed in the chart room and in the master's cabin of the Vessel a framed printed notice (the print on which shall measure at least six inches by nine inches) reading as follows:-

NOTICE OF MORTGAGE

This Vessel is owned by Seven Shipping S.A. and is subject to a first preferred mortgage in favour of The THE SAN-IN GODO BANK, LTD.Under the terms of the said Mortgage neither the Owner, nor the master, nor any charterer of the Vessel nor any other person has the right or authority to create, incur or permit any lien, charge or encumbrance to be placed on the Vessel other than sums for crews' wages and 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 6th years of the Charter Period at a price of USD7,000,000.- (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 USD10,650,000.- net (the "**First Purchase Option Price**") subject to Charterers declaration 2 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 10,650,000.-
At end of 5th year : USD 8,850,000.-
At end of 6th year : USD 7,000,000.- (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 plus the Deposit defined below (the said aggregated amount, being called the "**Total 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 Shichifuku Gumi Co., Ltd.
Address : 785-2 Kurahashi-cho, Kure-shi, Hiroshima 737-1377, Japan
Telephone : +81-823-53-2202
Telefax : +81-823-53-2203
E-mail : shichifuku@h8.dion.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 : 81-3-3497-2958
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 and again on redelivery of the Vessel.

The Owners shall at the time of 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 Charterers' purchased prices with supporting vouchers. 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.

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 national or international law or regulation imposing trade or economic 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-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.

57 COSTS AND EXPENSES

(a) The parties hereto agree that all operational cost including required cost in relation to Vessel's flag (such as tonnage tax, insurance and crew certs etc) would be for the Charterers' account. However, all other cost (such as financing cost /cost for registration and discharge of their mortgage etc) would be for the Owners' account.

(b)For this Charter and the MOA, each party should bear its own costs unless otherwise agreed herein.

58. DOWN PAYMENT

The Charterers shall pay USD7,200,000 to the Owners as down payment to the Purchase Option Price upon delivery of the Vessel. The down payment will be netted off against payment of the purchase price under the MEMORANDUM OF AGREEMENT signed by Seven Shipping S.A. and Aramis Navigation Inc. dated on 22nd February 2024 (herein called "MOA") at the time of delivery of the Vessel under the MOA and this Charter pursuant to clause 32.

The Down Payment is not part of the Purchase Option Price of Clause 49 and shall be kept by the Owners on delivery of the Vessel under the PO MOA referred to in Clause 49.

The down payment does not bear interest and is non-refundable. For the avoidance of any doubt, should the Charter be terminated due to Total Loss, the Owners shall make the payment referred to in Clause 40, but shall have no obligation to make any refund to the Charterers in respect of the Down payment.

59. NAABSA Clause

The Vessel may lie safely aground at any safe berth or safe place where it is customary and safe for vessels of similar size and type to lie.

(end)

BARECON 2017

STANDARD BAREBOAT CHARTER PARTY PART I

1. Place and date

_____
_____ **2023**

2. Owners (Cl. 1)
(i) Name: **海津八号 (天津)租赁有限公司 (HAIJIN NO. 8 (TIANJIN) LEASING CO., LIMITED)**
(ii) Place of registered office: **Room 202, Office Area of Inspection Warehouse, 6262 Aozhou Road, Dongjiang Bonded Port Zone, Tianjin Pilot Free Trade Zone (mandated by Tianjin Dongjiang Business Secretary Service Co., Ltd, Free Trade Zone Branch with no. 8826)**
(iii) Law of registry: **People's Republic of China**

3. Charterers (Cl. 1)
(i) Name: **MAKRI SHIPPING CORPORATION**
(ii) Place of registered office: **Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960**
(iii) Law of registry: **Marshall Islands**

4. Vessel (Cl. 1 and 3)
(i) Name: **Hull no. CHB2025 under construction, to be named in due course and to be registered under the Approved Flag**
(ii) IMO number: **Not available**
(iii) Flag State: **Liberia**
(iv) Type: **5,300 TEU Container Vessel**
(v) GT/NT: **As per Building Contract /**
(vi) Summer DWT: **As per Building Contract**
(vii) When/where built: **Under construction at the Builder's yard /**
(viii) Classification Society: **DNVGL**

5. Date of last special survey by the Vessel's Classification Society
N/A

6. Validity of class certificates (state number of months to apply)
(i) Delivery (Cl. 3): **N/A**
(ii) Redelivery (Cl. 10): **N/A**

7. Latent Defects (state number of months to apply) (Cl. 1, 3)

8. Port or place of delivery (Cl. 3)
At a safe, ice free port where the Vessel would be afloat at all times

9. Delivery notices (Cl. 4)
N/A ~~days' approximate notices and days' definite notices~~'

10. Time for delivery (Cl. 4)
See Additional Clause 41 and 42

11. Cancelling date (Cl. 4, 5)
N/A

12. Port or place of redelivery (Cl. 10)
See Additional Clause 49 (Redelivery)

13. Redelivery notices (Cl. 10)
N/A ~~days' approximate notices and definite notices~~

14. Trading limits (Cl. 11)
Worldwide, always within International Navigating Limits, see also Additional Clause 55.41 (Trading limits)

15. Bunker fuels, unused oils and greases (optional, state if (a) (actual net price), or (b) (current net market price) to apply) (Cl. 9)

16. Charter period (Cl. 2)
See Additional Clause 39 (Definitions)

17. Charter hire ~~(state currency and amount) (Cl. 2, 10 and 15)~~
~~(i) Charter hire:~~ **See Additional Clause 47 (Hire)**
~~(ii) Charter hire for optional period:~~

18. Optional period and notice (Cl. 2)
(i) State extension period in months:
(ii) State when declarable:

19. Rate of interest payable (Cl. 15(g))
See Additional Clause 47.8 (Default interest)

20. Owners' bank details (state beneficiary and bank account) (Cl. 15)
See Additional Clause 47 (Hire)

21. New class and other regulatory requirements (Cl. 13(b))
(i) State if 13(b)(i) or (ii) to apply: **13(b)(i) applies. See also Additional Clause 46.2**
(ii) Threshold amount (AMT):
(iii) Vessel's expected remaining life in years on the date of delivery:

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22. Mortgage(s), if any (state if 16(a) or (b) to apply; if 16(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 1, 16)
Clause 16 (b) applies. Form of Financial Instrument and name of mortgagee to be determined.

23. Insured Total Loss value (Cl. 17)
N/A

24. Insuring party (state if Cl. 17(b) (Charterers to insure) or Cl. 17(c) (Owners to insure) to apply)
See Additional Clause 48 (Insurance)

25. Performance guarantee (state amount and entity) (Cl. 27) (optional)
See definition of "Charter Guarantee"

26. Dispute Resolution (state 33(a), 33(b), 33(c) or 33(d); if 33(c) is agreed, state Singapore or English law; if 33(d) is agreed, state governing law and place of arbitration) (Cl. 33)
(d) _See Additional Clause 85 (Law and Dispute Resolution)

27. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies and if "yes", complete details below) (optional) Part III does not apply

(i) Name of Builders: **collectively, Jiangyin Xiagang Changjiang Shipbreaking Co., Ltd. and Zhoushan Changhong International Shipyard Co., Ltd.**
(ii) Hull number: **CHB2025**
(iii) Date of newbuilding contract: **26 January 2022**
(iv) Liquidated damages for physical defects or deficiencies (state party): **As per Building Contract**
(v) Liquidated damages for delay in delivery (state party): **As per building contract**

28. Purchase Option (indicate with "yes" or "no" whether PART IV applies) (optional)

See Additional Clause 62 (Early Termination, purchase option, purchase obligation and transfer of title)
Yes

29. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies and if "yes", complete details below) (optional)
Part V does not apply
(i) Underlying Registry:
(ii) Bareboat Charter Registry:

30. Notices to Owners (state full style details for serving notices) (Cl. 34)
See Additional Clause 77 (Notices)

31. Notices to Charterers (state full style details for serving notices) (Cl. 34)
See Additional Clause 77 (Notices)

It is mutually agreed that this Charter Party shall be performed subject to the conditions contained in this Charter Party 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 only form part of this Charter Party if expressly agreed and stated in Box 27, 28 and 29. If PART III and/or PART IV and/or PART V applies, 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.

Additional Clauses 39 to 86 (both inclusive) form an integral part of this Charter Party. In the event of any inconsistency between any terms set out in Clauses 1 to 38 of this Charter Party and any terms set out in the Additional Clauses (i.e. clauses 39 to 86) of this Charter Party, the term of the Additional Clauses shall prevail.

Signature (Owners)

For and on behalf of: 海津八号 (天津)租赁有限公司
(HAIJIN NO. 8 (TIANJIN) LEASING CO., LIMITED)
Name:
Title:

Signature (Charterers)

For and on behalf of: MAKRI SHIPPING CORPORATION

Name:
Title

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Signature (Owners):

/s/ Ng Yin Ling

For and on behalf of Haijin No. 8 (Tianjin) Leasing Co., Limited

Signature (Charterers):

/s/ Georgios Panagakis

Makri Shipping Corporation

PART II
BARECON 2017 Standard Bareboat Charter Party

1. Definitions

In this Charter Party:

~~"Banking Day" means a day on which banks are open in the places stated in Boxes 2, 3, 30 and 31, and, for payments in US dollars, in New York.~~

"Charterers" means the party identified in Box 3.

"Crew" means the Master, officers and ratings and any other personnel employed on board the Vessel.

"Financial Instrument" means ~~the mortgage, deed of covenant or other such financial security instrument as identified in Box 22~~any Finance Document (as defined in Additional Clauses 39 (Definitions) and 40 (Interpretation)).

"Flag State" means the flag state in Box 4 or ~~such other flag state to which the Charterers may have re-registered the Vessel with the Owners' consent during the Charter Period~~any Pre-Approved Flag (as defined in Additional Clause 39 (Definitions)).

"Latent Defect" means a defect which could not be discovered on such an examination as a reasonably careful skilled person would make.

"Owners" means the party identified in Box 2.

~~"Total Loss" means an actual, constructive, compromised or agreed total loss of the Vessel under the insurances.~~

~~"Vessel" means the vessel described in Box 4 including its equipment, machinery, boilers, fixtures and fittings.~~

2. Charter Period

The Owners have agreed to let and the Charterers have agreed to hire the Vessel for the ~~period stated in Box 16 ("Charter Period")~~Charter Period.

~~The Charterers shall have the option to extend the Charter Period by the period stated in Box 18(i) at the rate stated in Box 17(ii), which option shall be exercised by written notice to the Owners latest as stated in Box 18(ii).~~

Subject to the terms and conditions herein provided, 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.

3. Delivery—See Additional Clause 42 (Predelivery and delivery)

~~(not applicable when Part III applies, as stated in Box 27)~~.

~~(a)~~ ~~The Owners shall deliver the Vessel in a seaworthy condition and in every respect ready for service under this Charter Party and in accordance with the particulars stated in Boxes 4 to 6.~~

~~If the Charterers have inspected the Vessel prior to delivery, the Vessel shall be delivered by the Owners in the same condition as at the time of inspection, fair wear and tear excepted.~~

~~The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place stated in Box 8 at such readily accessible safe berth or mooring as the Charterers may direct.~~

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(b) The Vessel shall be properly documented on delivery in accordance with the laws and regulations of the Flag State and the requirements of the Classification Society stated in Box 4. The Vessel upon delivery shall have its survey cycles up to date and class certificates valid and unextended for at least the number of months stated in Box 6(i) free of any conditions or recommendations. If Box 6(i) is not filled in, then six (6) months shall apply.

(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, 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 arising out of Latent Defects in the Vessel existing at the time of delivery under this Charter Party, provided such Latent Defects manifest themselves within the number of months after delivery stated in Box 7. If Box 7 is not filled in, then twelve (12) months shall apply.

4. Time for Delivery—See Additional Clause 42 (Pre-delivery and delivery)

(not applicable when Part III applies, as stated in Box 27)

The Vessel shall not be delivered before the date stated in Box 10 without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date stated in Box 11.

The Owners shall keep the Charterers informed of the Vessel's itinerary for the voyage leading up to delivery and shall serve the Charterers with the number of days approximate/definite notices of the Vessel's delivery stated in Box 9. Following the tender of any such notices the Owners shall give or allow to be given to the Vessel only such further employment orders as are reasonably expected when given to allow delivery to occur by the date notified.

5. Cancelling—See Additional Clause 41 (MOA)

(not applicable when Part III applies, as stated in Box 27)

(a) Should the Vessel not be delivered by the cancelling date stated in Box 11, the Charterers shall have the option of cancelling this Charter Party.

(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 three (3) Banking Days of the receipt by the Charterers of such notice. If the Charterers do not then exercise their option of cancelling, the readiness date stated in the Owners' notice shall be substituted for the cancelling date stated in Box 11 for the purpose of this Clause 5 (Cancelling).

(c) Cancellation under this Clause 5 (Cancelling) shall be without prejudice to any claim the Charterers may otherwise have against the Owners under this Charter Party.

6. Familiarisation

(a) The Charterers shall have the right to place a maximum of two (2) representatives on board the Vessel at their sole risk and expense for a reasonable period prior to the delivery of the Vessel.

The Charterers and the Charterers' representatives shall sign the Owners' usual letter of indemnity prior to embarkation.

(b) The Owners shall have the right to place a maximum of two (2) representatives on board the Vessel at their sole risk and expense for a reasonable period prior to the redelivery of the Vessel.

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~~The Owners and the Owners' representatives shall sign the Charterers' usual letter of indemnity prior to embarkation.~~

~~(c)~~ ~~Such representatives shall be on board for the purpose of familiarisation and in the capacity of observers only, and they shall not interfere in any respect with the operation of the Vessel.~~

7. Surveys on Delivery and Redelivery

~~(a)~~ ~~The Owners and Charterers shall each appoint and pay for their respective surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of delivery and redelivery hereunder. The Owners shall bear all the Vessel's expenses related to the on-hire survey including loss of time, if any. The Charterers shall bear all the Vessel's expenses related to the off-hire survey including loss of time, if any.~~

~~(b)~~ ~~Divers inspection on delivery/re-delivery~~

~~The Charterers shall have the option at delivery and the Owners shall have the option at redelivery, at their respective time, cost and expense, to arrange for an underwater inspection by a diver approved by the Classification Society, in the presence of a Classification Society surveyor, to determine the condition of the rudder, propeller, bottom and other underwater parts of the Vessel.~~

8. Inventories

A complete inventory of the Vessel's equipment, outfit, spare parts and consumable stores on board the Vessel shall be made by the parties on delivery and redelivery of the Vessel. The protocol of delivery provided by the Builder to the Charters on or around the Delivery Date (as such term is described under the Building Contract) pursuant to the Building Contract shall constitute the inventory list agreed by the Owners and the Charterers on delivery and redelivery of the Vessel for the purposes of this Clause.

9. Bunker fuels, oils and greases—See Additional Clause 44 (Bunkers and luboils)

~~The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunker fuels and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums at:~~

~~(a)*~~ ~~The actual price paid (excluding barging expenses) as evidenced by invoices or vouchers.~~

~~(b)*~~ ~~The current market price (excluding barging expenses) at the port and date of delivery/redelivery of the Vessel or, if unavailable, at the nearest bunkering port.~~

~~*Subclauses (a) and (b) are alternatives; state alternative agreed in Box 15. If Box 15 is not filled in, then subclause (a) shall apply.~~

10. Redelivery—See Additional Clauses 49 (Redelivery) and 50 (Redelivery conditions)

~~At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers and taken over by the Owners at the port or place stated in Box 12 at such readily accessible safe berth or mooring as the Owners may direct.~~

~~The Charterers shall keep the Owners informed of the Vessel's itinerary for the voyage leading up to redelivery and shall serve the Owners with the number of days approximate/definite notices of the Vessel's redelivery stated in Box 13.~~

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~~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 and in accordance with the notices given. 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 17(i) applicable at the time plus ten (10) per cent or the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. Such payment of the enhanced hire rate shall be without prejudice to any claims the Owners may have against the Charterers in this respect. All other terms, conditions and provisions of this Charter Party shall continue to apply.~~

~~Subject to the provisions of Clause 13 (Maintenance and Operation), the Vessel shall be redelivered to the Owners in the same condition and class as that in which it was delivered, fair wear and tear not affecting class excepted.~~

~~The Vessel upon redelivery shall have her survey cycles up to date and class certificates valid and unextended for at least the number of months agreed in Box 6(ii) free of any conditions or recommendations. If Box 6(ii) is not filled in, then six (6) months shall apply.~~

~~All plans, drawings and manuals (excluding ISM/ISPS manuals) and maintenance records shall remain on board and accessible to the Owners upon redelivery. Any other technical documentation regarding the Vessel which may be in the Charterers' possession shall promptly after redelivery be forwarded to the Owners at their expense, if they so request. The Charterers may keep the Vessel's log books but the Owners shall have the right to make copies of the same.~~

11. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of lawful merchandise within the trading limits stated in Box 14.

The Charterers undertake not to employ the Vessel or allow 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 additional premium or otherwise as the insurers may require.

The Charterers will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.

Notwithstanding any other provisions contained in this Charter Party 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 Party. 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~~that the Charterers have effected Protection and Indemnity insurance which covers the loading of such cargo on terms satisfactory to the Owners. Charterers have P&I cover in place for such cargoes. See also Additional Clause [55.41] (Trading limits).

12. Contracts of Carriage

(a) The Charterers are to procure that all documents issued during the ~~Charter Period~~Agreement Term evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause which shall incorporate the Hague-Visby Rules or the Hague Rules unless any other legislation relating to carrier's liability for cargo is compulsorily applicable in the trade. 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 Party shall contain a paramount clause which shall incorporate the Athens Convention Relating to the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto, unless any other legislation relating to carrier's liability for passengers and their luggage is compulsorily applicable in the trade.~~

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13. Maintenance and Operation

(a) Maintenance

The Charterers shall properly maintain the Vessel in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and, at their own expense, maintain the Vessel's Class with the Classification Society stated in Box 4 and all necessary certificates.

(b) New Class and Other Regulatory Requirements

(i)* In the event of any structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of new class requirements or by compulsory legislation ("Required Modification"), all such costs shall be for the Charterers' account.

~~(ii)* In the event of any structural changes or new equipment becoming necessary for the continued operation of the Vessel by reason of a Required Modification, the costs shall be apportioned as follows:~~

~~(1) if the costs of the Required Modification are less than the amount stated in Box 21(ii), such costs shall be for the Charterers' account;~~

~~(2) if the costs of the Required Modification are greater than the amount stated in Box 21(ii), the Charterers' portion of costs shall be apportioned using the formula below; all costs other than the Charterers' portion shall be for the Owners' account.~~

~~AMT = agreed amount stated in Box 21(ii)~~

~~CRM = cost of Required Modification~~

~~MEL = modification's expected life in years~~

~~VEL = the Vessel's expected remaining life in years stated in Box 21(iii) less the number of years between the date of delivery and the date of the modification.~~

~~RPY = remaining charter period in years~~

~~(i)If the Required Modification is expected to last for the remaining life of the Vessel, then:~~

~~Charterers' portion of costs =~~ $\frac{CRM}{VEL} \times RPY$

~~(ii) If the Required Modification is not expected to last for the remaining life of the Vessel, then:~~

~~Charterers' portion of costs =~~ $\frac{CRM}{MEL} \times RPY$

~~*Subclauses 13(b)(i) and 13(b)(ii) are alternatives, state alternative agreed in Box 21(i). If Box 21(i) is not filled in, then subclause 13(b)(i) shall apply.~~

(c) 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 Party 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.

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(d) Operation of the Vessel

The Charterers shall at their own expense crew, victual, navigate, operate, supply, fuel, maintain and repair the Vessel during the ~~Charter Period~~Agreement Term and they shall be responsible for all costs and expenses whatsoever relating to their use and operation of the Vessel, including any taxes and fees. The Crew shall be the servants of the Charterers for all purposes whatsoever, even if for any reason appointed by the Owners.

~~(c) Information to Owners~~

~~The Charterers shall keep the Owners advised of the intended employment, planned dry-docking and major repairs of the Vessel, as reasonably required by the Owners.~~

(f) Flag and Name of Vessel - See Additional Clause 61 (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' prior written 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 re-registration, if required by the Owners, shall be at the Charterers' expense and time.~~

(g) Changes to the Vessel - See Additional Clause 46 (Structural changes and alterations)

~~Subject to subclause 13(b) (New Class and Other Regulatory Requirements), the Charterers shall make no structural or substantial changes to the Vessel without the Owners' prior written approval. If the Owners agree to such changes, the Charterers shall, if the Owners so require, restore the Vessel, prior to redelivery of the Vessel, to its former condition.~~

(h) Use of the Vessel's Outfit and Equipment

The Charterers shall have the use of all outfit, equipment and spare parts 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 condition as on delivery as per the inventory (see Clause 8 (Inventories)), ordinary wear and tear excepted. The Charterers shall from time to time during the Charter Period replace such equipment that become unfit for use. The Charterers shall procure that all repairs to or replacement of any damaged, worn or lost parts or equipment will be effected in such manner (both as regards workmanship and quality of materials, including spare parts) as not to diminish the value of the Vessel.

The Charterers have the right to fit additional equipment at their expense and risk but title to such additional equipment shall be deemed to have passed to the Owners immediately upon such fitting, and the Charterers shall remove such equipment at the end of the Charter Period if requested by the Owners. Any hired equipment on board the Vessel at the 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 hired equipment required in order to comply with any regulations.

(i) 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 less than once every sixty (60) calendar months or such other period as may be required by the Classification Society or Flag State.

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14. Inspection during the Charter Period—See also Additional Clause 55.33 (Inspection of Vessel)

~~The Owners shall have the right at any time after giving reasonable notice to the Charterers to inspect the Vessel or instruct a duly authorised surveyor to carry out such inspection on their behalf to ascertain its condition and satisfy themselves that the Vessel is being properly repaired and maintained or for any other commercial reason they consider necessary (provided it does not unduly interfere with the commercial operation of the Vessel).~~

~~The fees for such inspections shall be paid for by the Owners. All time used in respect of inspection 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 class records, log books, certificates, maintenance and other records 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.

15. Hire—See Additional Clause 47 (Hire)

~~(a) The Charterers shall pay hire due to the Owners punctually in accordance with the terms of this Charter Party.~~

~~(b) The Charterers shall pay to the Owners for the hire of the Vessel a lump sum in the amount stated in Box 17(i) which shall be payable 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 to the Owners' bank account stated in Box 20.~~

~~(d) All payments of Charter Hire and any other payments due under this Charter shall be made without any set-off whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future income, freight, stamp or other taxes, levies, imposts, duties, fees, charges, restrictions or conditions of any nature. If the Charterers are required by any authority in any country to make any withholding or deduction from any such payment, the sum due from the Charterers in respect of such payment will be increased to the extent necessary to ensure that, after the making of such withholding or deduction the Owners receive a net sum equal to the amount which it would have received had no such deduction or withholding been required to be made.~~

~~(e) If the Charterers fail to make punctual payment of hire due, the Owners shall give the Charterers three (3) Banking Days written notice to rectify the failure, and when so rectified within those three (3) Banking Days following the Owners' notice, the payment shall stand as punctual.~~

~~Failure by the Charterers to pay hire due in full within three (3) Banking Days of their receiving a notice from Owners shall entitle the Owners, without prejudice to any other rights or claims the Owners may have against the Charterers, to terminate this Charter Party at any time thereafter, as long as hire remains outstanding.~~

~~(f) If the Owners choose not to exercise any of the rights afforded to them by this Clause in respect of any particular late payment of hire, or a series of late payments of hire, under the Charter Party, this shall not be construed as a waiver of their right to terminate the Charter Party.~~

~~(g) Any delay in payment of hire shall entitle the Owners to interest at the rate per annum as agreed in Box 19. If Box 19 has not been filled in, the one month Interbank offered rate in London (LIBOR or its successor) for the currency stated in Box 17, as quoted on the date when the hire fell due, increased by three (3) per cent, shall apply.~~

~~(h) Payment of interest due under subclause 15(g) 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.~~

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~~(i) 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 and hours remaining before redelivery and advance payment to be effected accordingly.~~

16. Mortgage—See Additional Clauses 53 (Owners' mortgage) and 55.16 (Further assurance)

~~(only to apply if Box 22 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 Party ~~is~~may be financed by a mortgage according to the Financial Instrument in conformity with all other terms and provisions of this Agreement. 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 Party by the mortgagee(s) in conformity with the Financial Instrument, including the display or posting of such notices as the Mortgagees may require. The Charterers confirm that, for this purpose, they ~~have acquainted~~ will, once such Financial Instrument is available, acquaint 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 22 and that they shall not agree to any amendment of the mortgage(s) referred to in Box 22 or effect any other mortgage(s) without the prior consent of the Charterers, which shall not be unreasonably withheld.~~

~~*(Optional, Subclauses 16(a) and 16(b) are alternatives; indicate alternative agreed in Box 22).~~

17. Insurance—See Additional Clause 48 (Insurance)

~~(a) General~~

~~(i) The value of the Vessel for hull and machinery (including increased value) and war risks insurance is the sum stated in Box 23, or such other sum as the parties may from time to time agree in writing. The party insuring the Vessel shall do so on such terms and conditions and with such insurers as the other party shall approve in writing, which approval shall not be unreasonably withheld, and shall name the other party as co-assured.~~

~~(ii) Notwithstanding that the parties are co-assured, these insurance provisions shall neither exclude nor discharge liability between the Owners and the Charterers under this Charter Party, but are intended to secure payment of the loss insurance proceeds as a first resort to make good the Owners' loss. If such payment is made to the Owners it shall be treated as satisfaction (but not exclusion or discharge) of the Charterers' liability towards the Owners. For the avoidance of doubt, such payment is no bar to a claim by the Owners and/or their insurers against the Charterers to seek indemnity by way of subrogation.~~

~~(iii) Nothing herein shall prejudice any rights of recovery of the Owners or the Charterers (or their insurers) against third parties.~~

~~(b)*~~ ~~Charterers to Insure~~

~~(i) 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 subclause 13(c) (Financial Security)).~~

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(ii) Such insurances shall be arranged by the Charterers to protect the interests of the Owners and the Charterers and the mortgagee(s) (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint.

(iii) 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.

(c)* Owners to Insure

(i) During the Charter Period the Vessel shall be kept insured by the Owners at their expense against hull and machinery and war risks. The Charterers shall progress claims for recovery against any third parties for the benefit of the Owners' and the Charterers' respective interests.

(ii) 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 subclause 13(c) (Financial Security)).

(iii) In the event that any act or negligence of the Charterers prejudices any of the insurances 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 insurances.

*Subclauses 17(b) and 17(c) are alternatives, state alternative agreed in Box 24. If Box 24 is not filled in, then subclause 17(b) (Charterers to Insure) shall apply.

18. Repairs—See Additional Clause 48 (Insurance)

(a) Subject to the provisions of any Financial Instrument, and the approval of the Owners, the Charterers shall effect all insured repairs, and 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 subclause 17(c) (Owners to Insure), the Charterers shall be reimbursed under the Owners' insurances for such expenditures upon presentation of accounts.

(b) The Charterers shall remain responsible for and effect repairs and settlement of costs and expenses incurred thereby in respect of all repairs not covered by the insurances and/or not exceeding any deductibles provided for in the insurances.

(c) All time used for repairs under the provisions of subclauses 18(a) and 18(b) and for repairs of Latent Defects according to Clause 3 (Delivery) above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

19. Total loss—See Additional Clause 63 (Total Loss)

(a) The Charterers shall be liable to the Owners by way of damages if the Vessel becomes a Total Loss. Subject to the provisions of any Financial Instrument, if the Vessel becomes a Total Loss, all insurance payments for such loss shall be paid to the Owners who shall distribute the monies between the Owners and the Charterers according to their respective interests, which shall satisfy (but not exclude or discharge) the Charterers' liability to the Owners thereof. 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.

(b) Notwithstanding any other clause herein, it is recognised that the Charterers have a continuing obligation to protect and preserve the Vessel as an asset of the Owners. The Charterers shall have a continuing duty after the termination of the Charter Party to preserve and present claims on behalf of Owners and Charterers and/or any subrogated insurers against any third party held responsible for the Total Loss during the Charter Period and account for any recovery achieved.

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~~(c) The Owners or the Charterers, as the case may be, shall upon the request of the other party, promptly execute such documents as may be required to enable the other party to abandon the Vessel to the insurers and claim a constructive total loss.~~

20. Lien

The Owners shall have a lien upon all cargoes, hires and freights (including deadfreight and demurrage) belonging or due to the Charterers or any sub-charterers, for any amounts due under this Charter Party ~~and the Charterers shall have a lien on the Vessel for all monies paid in advance and not earned~~.

21. Non-Lien

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance (other than any Encumbrance falling within the definition of "Permitted Encumbrance" as defined in Additional Clause 39 (Definitions)) 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."

~~**22. Indemnity**~~

~~(a) The Charterers shall indemnify the Owners against any loss, damage or expense 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. This shall include indemnity for any loss, damage or expense arising out of or in relation to any international convention which may impose liability upon the Owners.~~

~~(b) 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.~~

~~(c) If the Vessel is arrested or otherwise detained for any reason whatsoever other than those covered in subclause (d), 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.~~

~~(d) If the Vessel is 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 Party) as a direct consequence of such arrest or detention.~~

23. Salvage

All salvage and towage performed by the Vessel shall subject to the Security Documents, be for the Charterers' benefit and the cost of repairing damage occasioned thereby shall be borne by the Charterers.

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24. Wreck Removal

If the Vessel becomes a wreck, or any part of the Vessel is lost or abandoned, and is an obstruction to navigation or poses a hazard and has to be raised, removed, destroyed, marked or lit by order of any lawful authority having jurisdiction over the area or as a result of any applicable law, the Charterers shall be liable for any and all expenses in connection with the raising, removal, destruction, lighting or marking of the Vessel and shall indemnify the Owners against any sums whatsoever, which the Owners become liable to pay as a consequence.

25. General Average

The Owners shall not contribute to General Average.

26. Assignment, Novation, Sub-Charter and Sale—See Additional Clause 60 (Sub-chartering and assignment)

~~(a) The Charterers shall not assign or novate this Charter Party 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 Party except with the prior written consent of the Charterers, which shall not be unreasonably withheld, and subject to the buyer accepting a novation of this Charter Party.~~

~~(c) The Owners shall be entitled to assign their rights under this Charter Party~~.

27. Performance Guarantee

(Optional, to apply only if Box 25 filled in)

The Charterers undertake to furnish, before delivery of the Vessel, a ~~guarantee or bond in the amount of and from the entity stated in Box 25~~corporate guarantee in a form acceptable to the Owners as guarantee for full performance of their obligations under this Charter Party.

28. Anti-Corruption—See Additional Clause 55.39 (Anti-Bribery Laws)

~~(a) The parties agree that in connection with the performance of this Charter Party they shall each:~~

~~(i) comply at all times with all applicable anti-corruption legislation and have procedures in place that are, to the best of its knowledge and belief, designed to prevent the commission of any offence under such legislation by any member of its organisation and/or by any person providing services for it or on its behalf; and~~

~~(ii) make and keep books, records, and accounts which in reasonable detail accurately and fairly reflect the transactions in connection with this Charter Party.~~

~~(b) If either party fails to comply with any applicable anti-corruption legislation, it shall defend and indemnify the other party against any fine, penalty, liability, loss or damage and for any related costs (including, without limitation, court costs and legal fees) arising from such breach.~~

~~(c) Without prejudice to any of its other rights under this Charter Party, either party may terminate this Charter Party without incurring any liability to the other party if:~~

~~(i) at any time the other party or any member of its organisation has committed a breach of any applicable anti-corruption legislation in connection with this Charter Party; and~~

~~(ii) such breach causes the non-breaching party to be in breach of any applicable anti-corruption legislation.~~

~~Any such right to terminate must be exercised without undue delay~~.

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~~(d) Each party represents and warrants that in connection with the negotiation of this Charter Party neither it nor any member of its organisation has committed any breach of applicable anti-corruption legislation. Breach of this subclause (d) shall entitle the other party to terminate the Charter Party without incurring any liability to the other.~~

29. Sanctions and Designated Entities~~—~~ See Additional Clause 55.11 (Sanctions)

~~(a) The provisions of this clause shall apply in relation to any sanction, prohibition or restriction imposed on any specified persons, entities or bodies including the designation of specified vessels or fleets under United Nations Resolutions or trade or economic sanctions, laws or regulations of the European Union or the United States of America.~~

~~(b) The Owners and the Charterers respectively warrant for themselves (and in the case of any sub-charter, the Charterers further warrant in respect of any sub-charterers, shippers, receivers, or cargo interests) that at the date of this fixture and throughout the duration of this Charter Party they are not subject to any of the sanctions, prohibitions, restrictions or designation referred to in subclause (a) which prohibit or render unlawful any performance under this Charter Party. The Owners further warrant that the Vessel is not a designated vessel.~~

~~(c) If at any time during the performance of this Charter Party either party becomes aware that the other party is in breach of warranty in this Clause, the party not in breach shall comply with the laws and regulations of any Government to which that party or the Vessel is subject, and follow any orders or directions which may be given by any body acting with powers to compel compliance, including where applicable the Owners' Flag State. In the absence of any such orders, directions, laws or regulations, the party not in breach may, in its option, terminate the Charter Party forthwith in accordance with Clause 31 (Termination).~~

~~(d) If, in compliance with the provisions of this Clause, anything is done or is not done, such shall not be deemed a deviation but shall be considered due fulfilment of this Charter Party.~~

~~(e) Notwithstanding anything in this Clause to the contrary, the Owners or the Charterers shall not be required to do anything which constitutes a violation of the laws and regulations of any State to which either of them is subject.~~

~~(f) The Owners or the Charterers shall be liable to indemnify the other party against any and all claims, losses, damage, costs and fines whatsoever suffered by the other party resulting from any breach of warranty in this Clause.~~

30. Requisition/Acquisition

(a) In the event of the requisition for hire of the Vessel by any governmental or other competent authority at any time during the ~~Charter Period~~Agreement Term, this Charter Party shall not be deemed to be frustrated or otherwise terminated. The Charterers shall continue to pay hire according to the Charter Party until the time when the Charter Party would have expired or terminated pursuant to any of the provisions hereof. However, if any requisition hire or compensation is received by the Owners for the remainder of the ~~Charter Period~~Agreement Term or the period of the requisition, whichever is shorter, it shall be payable by the Owners to the Charterers unless any amount is due and payable by the Charterers under this Charter Party.

~~(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 (hereinafter referred to as "Compulsory Acquisition"), then, irrespective of the date during the Charter Period when Compulsory Acquisition may occur, this Charter Party shall be deemed terminated as of the date of such Compulsory Acquisition. In such event hire to be considered as earned and to be paid up to the date and time of such Compulsory Acquisition. The Owners shall be entitled to any compensation received for such Compulsory Acquisition.~~

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31. Termination—See Additional Clauses 59 (Termination Events), 62 (Early Termination, purchase option and transfer of title) and 63 (Total Loss)

~~(a) Charterers' Default~~

~~The Owners shall be entitled to terminate this Charter Party by written notice to the Charterers under the following circumstances and to claim damages including, but not limited to, for the loss of the remainder of the Charter Party:~~

~~(i) Non-payment of hire (see Clause 15 (Hire)).~~

~~(ii) Charterers' failure to comply with the requirements of:~~

~~(1) Clause 11 (Trading Restrictions); or~~

~~(2) Subclause 17(b) (Charterers to Insure).~~

~~(iii) The Charterers do not rectify any failure to comply with the requirements of subclause 13(a) (Maintenance) as soon as practically possible after the Owners have notified them to do so and in any event so that the Vessel's insurance cover is not prejudiced.~~

~~(b) Owners' Default~~

~~The Charterers shall be entitled to terminate this Charter Party with immediate effect by written notice to the Owners and to claim damages including, but not limited to, for the loss of the remainder of the Charter Party:~~

~~(i) If the Owners shall by any act or omission be in breach of their obligations under this Charter Party 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; or~~

~~(ii) if the Owners fail to arrange or maintain the insurances in accordance with subclause 17(c) (Owners to Insure).~~

~~(c) Loss of Vessel~~

~~This Charter Party shall be deemed to be terminated, without prejudice to any accrued rights or obligations, if the Vessel becomes lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred, or has been declared missing. The date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first.~~

~~(d) Bankruptcy~~

~~Either party shall be entitled to terminate this Charter Party with immediate effect by written notice to the other party if that other party has a petition presented for its winding up or administration or any other action is taken with a view to its winding up (otherwise than for the purpose of solvent reconstruction or amalgamation), or becomes bankrupt or commits an act of bankruptcy, or makes any arrangement or composition for the benefit of creditors, or has a receiver or manager or administrative receiver or administrator or liquidator appointed in respect of any of its assets, or suspends payments, or anything analogous to any of the foregoing under the law of any jurisdiction happens to it, or ceases or threatens to cease to carry on business.~~

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~~(c) The termination of this Charter Party 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.~~

32. Repossession—See Additional Clauses 49 and 50

In the event of the early termination of this Charter Party in accordance with the applicable provisions of this Charter Party, the Owners shall have the right (at the Charterers' cost and expense) to repossess the Vessel from the Charterers at its 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, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. ~~The Owners~~ and the Charterers shall ~~arrange for an authorised representative to board the Vessel as soon as reasonably practicable following the termination of this Charter Party~~procure that the master and crew follow the orders and directions of the Owners. 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 Crew shall be the sole responsibility of the Charterers.

33. BIMCO Dispute Resolution Clause 2017—See Additional Clause 85 (Law and Dispute Resolution)

~~(a)* This Charter Party shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Charter Party 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 fourteen (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 fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (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 the 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 USD 100,000 (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.~~

~~In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of USD 400,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure current at the time when the arbitration proceedings are commenced.~~

~~(b)* This Charter Party shall be governed by U.S. maritime law or, if this Charter Party is not a maritime contract under U.S. law, by the laws of the State of New York. Any dispute arising out of or in connection with this Charter Party shall be referred to three (3) persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen. The decision of the arbitrators or 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 SMA Rules current as of the date of this Charter Party.~~

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In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the SMA Rules for Shortened Arbitration Procedure current as of the date of this Charter Party.

(c)* This Charter Party shall be governed by and construed in accordance with Singapore**/English** law.

Any dispute arising out of or in connection with this Charter Party, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration in Singapore in accordance with the Singapore International Arbitration Act (Chapter 143A) and 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 Arbitration Rules of the Singapore Chamber of Maritime Arbitration (SCMA) current at the time when the arbitration proceedings are commenced.

The reference to arbitration of disputes under this Clause 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 and give notice that it has done so within fourteen (14) calendar days of that notice and stating that it will appoint its own arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not give notice that it has done so within the fourteen (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 USD 150,000 (or such other sum as the parties may agree) the arbitration shall be conducted before a single arbitrator in accordance with the SCMA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

**Delete whichever does not apply. If neither or both are deleted, then English law shall apply by default.

(d)* This Charter Party 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 Charter Party shall be referred to arbitration at a mutually agreed place, subject to the procedures applicable there.

(e) The parties may agree at any time to refer to mediation any difference and/or dispute arising out of or in connection with this Charter Party. In the case of any dispute in respect of which arbitration has been commenced under subclause (a), (c) or (d), 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 fourteen (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 fourteen (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.

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(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.)

*Subclauses (a), (b), (c) and (d) are alternatives; indicate alternative agreed in Box 26.

If Box 26 in Part I is not appropriately filled in, subclause (a) of this Clause shall apply. Subclause (c) shall apply in all cases except for alternative (b).

34. Notices—See Additional Clause 77 (Notices)

All notices, requests and other communications required or permitted by any clause of this Charter Party shall be given in writing and shall be sufficiently given or transmitted if delivered by hand, email, express courier service or registered mail and addressed if to the Owners as stated in Box 30 or such other address or email address as the Owners may hereafter designate in writing, and if to the Charterers as stated in Box 31 or such other address or email address as the Charterers may hereafter designate in writing. Any such communication shall be deemed to have been given on the date of actual receipt by the party to which it is addressed.

35. Partial Validity—See Additional Clause 74 (Invalidity)

If by reason of any enactment or judgment any provision of this Charter Party shall be deemed or held to be illegal, void or unenforceable in whole or in part, all other provisions of this Charter Party shall be unaffected thereby and shall remain in full force and effect.

36. Entire Agreement—See Additional Clause 73 (Entire agreement)

This Charter Party is the entire agreement of the parties, which supersedes all previous written or oral understandings and which may not be modified except by a written amendment signed by both parties.

37. Headings

The headings of this Charter Party are for identification only and shall not be deemed to be part hereof or be taken into consideration in the interpretation or construction of this Charter Party.

38. Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

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PART III
BARECON 2017 Standard Bareboat Charter Party
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(OPTIONAL, only applicable if Box 27 has been completed)

1. Specifications and Building Contract

~~(a) The Vessel shall be constructed in accordance with the building contract between the Builders and the Owners including the specifications and plans incorporated therein ("Building Contract"). The Owners shall provide the Charterers with a copy of the Building Contract to the extent relevant to this Charter Party.~~

~~(b) No variations shall be made to the Building Contract without the Charterers' prior written consent. The Charterers shall be entitled to request change orders in accordance with the Building Contract. Any additional costs or consequences due to Charterers' change orders shall be borne by the Charterers.~~

~~(c) The Owners and the Charterers will liaise and cooperate in all matters regarding the construction of the Vessel and the Building Contract. The Charterers shall have the right to send their representative to the Builders' yard to inspect the Vessel during its construction.~~

~~(d) The Owners shall assign their guarantee rights under the Building Contract to the Charterers, if permitted. If not permitted, the Owners shall exercise their guarantee rights against the Builders for the benefit of the Charterers. The Charterers shall be obliged to accept such sums as the Owners are reasonably able to recover under the guarantee provisions of the Building Contract.~~

2. Delivery and Cancellation

~~(a) (i) Subject to the provisions of Clause 3 (Liquidated Damages) hereunder, the Charterers shall be obliged to accept the Vessel from the Owners, constructed and delivered in accordance with the Building Contract and including buyers' supplies, 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.~~

~~(ii) The date of delivery for the purpose of this Charter shall be the date (the "Delivery Date") when the Vessel is in fact delivered by the Builders to the Owners in accordance with the Building Contract, whether that is before or after the scheduled delivery date under the Building Contract. The Owners shall be under no responsibility for any delay whatsoever in delivery of the Vessel to the Charterers under this Charter Party, except to the extent caused solely by the Owners' acts or omissions resulting in a default by the Owners under the Building Contract. The Owners shall be responsible to the Charterers for any direct losses incurred by the Charterers, if the Vessel is not delivered to the Owners due solely to the Owners' acts or omissions resulting in a default by the Owners under the Building Contract.~~

~~(iii) The Owners and the Charterers shall on the Delivery Date sign a Protocol of Delivery and Acceptance evidencing delivery of the Vessel hereunder~~.

~~(b) (i) The Owners' obligation to charter the Vessel to the Charterers hereunder is conditional upon delivery of the Vessel to the Owners by the Builders in accordance with the Building Contract.~~

~~(ii) 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 and exercise that right, the Owners shall be entitled to cancel this Charter Party by written notice to the Charterers.~~

~~(iii) If for any reason the Owners become entitled to cancel the Building Contract and exercise that right, the Owners shall be entitled to cancel this Charter Party by written notice to the Charterers. If, however, the Owners do not exercise their right to cancel the Building Contract, the Charterers shall be entitled to cancel this Charter Party by written notice to the Owners.~~

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PART III
BARECON 2017 Standard Bareboat Charter Party
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(OPTIONAL, only applicable if Box 27 has been completed)

3. Liquidated Damages

~~(a) Any liquidated damages for physical defects or deficiencies and any costs incurred in pursuing a claim therefor shall be credited to the party stated in Box 27(iv) or if not filled in shall be shared equally between the parties.~~

~~(b) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall be credited to the party stated in Box 27(v) or if not filled in shall be shared equally between the parties~~.

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PART IV
BARECON 2017 Standard Bareboat Charter Party
PURCHASE OPTION
(OPTIONAL, only applicable if Box 28 has been completed)

1. The Charterers shall have an option to purchase the Vessel (the "Purchase Option") exercisable on each of the dates stated below as follows:
See Additional Clause 62 (Early Termination, purchase option, purchase obligation and transfer of title)

Date (state number of months after delivery of the Vessel)	Purchase Price (the "Purchase Option Price")
(months)	(amount and currency)

2. To exercise their Purchase Option, the Charterers shall notify the Owners in writing not later than six (6) months prior to the relevant date stated in the table above. Such notification shall not be withdrawn or cancelled.

3. If the Charterers exercise their Purchase Option, the ownership of the Vessel shall be transferred to them on the relevant date. If such date is not a Banking Day, the ownership of the Vessel shall be transferred on the next Banking Day, on a strictly "as is/where is" basis, at the Charterers' sole cost and expense.

4. The Owners shall obtain and provide the Charterers with such documents and take such actions as the Charterers may reasonably request to facilitate the sale and the registration of the Vessel under the flag designated by the Charterers.

5. The Owners warrant that the Vessel at the time of transfer of ownership shall be free of any of Owners' encumbrance or mortgage and that they have not committed any act or omission which would impair title to the Vessel.

6. The Owners make no representation or warranty as to the seaworthiness, value, condition, design, merchantability or operation of the Vessel, or as to the quality of the material, equipment or workmanship in the Vessel, or as to the fitness of the Vessel for any particular trade.

7. In exchange for the transfer of ownership of the Vessel, the Charterers shall pay the Purchase Option Price to the bank account nominated by the Owners together with any unpaid charter hire and other amounts due and payable under this Charter Party.

8. Upon payment and transfer of ownership in accordance with Clause 7 above, this Charter Party and all rights and obligations of the parties shall terminate without prejudice to all rights accrued due between the parties prior to the date of termination and any claim that either party might have.

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PART V
BARECON 2017 Standard Bareboat Charter Party
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY
(OPTIONAL, only to apply if expressly agreed and stated in Box 29)

1. Definitions

"Bareboat Charter Registry" shall mean the registry stated in Box 29(ii) whose flag the Vessel will fly and in which the Charterers are registered as the bareboat charterers during the period of this Charter Party.

"Underlying Registry" shall mean the registry stated in Box 29(i) 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. The Owners have agreed to and the Charterers shall arrange for the Vessel to be registered under the Bareboat Charter Registry. The Charterers shall be responsible for all costs thereof.

3. Upon termination of this Charter Party for any reason whatsoever the Charterers shall immediately arrange for the deletion of the Vessel from the Bareboat Registry.

4. In the event of the Vessel being deleted from the Bareboat Charter Registry due to any default by the Owners, 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 Party.

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Memorandum of Agreement
in respect of
one (1) 5,300 TEU Container Vessel
with builder's hull number CHB2025

Dated

(1) **海津八号 (天津)租赁有限公司 (HAIJIN NO. 8 (TIANJIN) LEASING CO., LIMITED)**
as Buyers

(2) **THALIA SHIPPING CORPORATION**
as Sellers

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This Agreement is made on

Between:

(1) **海津八号 (天津)租赁有限公司 (HAIJIN NO. 8 (TIANJIN) LEASING CO., LIMITED)**, a company incorporated under the laws of the People's Republic of China (Unified Social Credit Code 91120118MACTQCY06Q) whose registered address is Room 202, Office Area of Inspection Warehouse, 6262 Aozhou Road, Dongjiang Bonded Port Zone, Tianjin Pilot Free Trade Zone (mandated by Tianjin Dongjiang Business Secretary Service Co., Ltd, Free Trade Zone Branch with no. 8826) (the "**Buyers**"); and

(2) **THALIA SHIPPING CORPORATION**, a corporation incorporated under the laws of the Republic of the Marshall Islands with registration number 111803 whose registered address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Republic of the Marshall Islands MH96960 (the "**Sellers**").

Background:

(A) Pursuant to a shipbuilding contract dated 26 January 2022 and made between the Sellers and the Builder (as may be amended, supplemented, novated or replaced from time to time, the "**Building Contract**"), the Builder has agreed to design, build, launch, equip, complete, deliver and sell, and the Sellers have agreed to purchase, one (1) new 5,300 TEU Container Vessel as further described in the Building Contract and bearing the Builder's hull number CHB2025, along with all her appurtenances, associated equipment, materials, stores, spare parts and documentation (the "**Vessel**"), upon the terms and conditions therein.

(B) The Sellers have agreed to sell the Vessel to the Buyers upon the terms and conditions set forth in this Agreement.

(C) The Buyers have agreed to pay the MOA Purchase Price (as defined below) upon the terms and conditions set forth in this Agreement.

(D) The Buyers (as owners) have agreed to let the Vessel to the Charterers (as bareboat charterers) and the Charterers have agreed to hire the Vessel from the Buyers immediately upon the acceptance of the Vessel by the Buyers from the Sellers under this Agreement, pursuant to the terms and conditions set forth in a bareboat charter agreement (as amended and or supplemented from time to time) (the "**Charter**") entered into or to be entered into between the Buyers (as owners) and the Charterers (as bareboat charterers) on the date of this Agreement.

It is agreed as follows:

1 Definitions and interpretations

1.1 Definitions

Words and expressions having defined meanings in the Charter shall, except where otherwise defined herein, have the same meanings when used in this Agreement, and in this Agreement:

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Builder**" means collectively, Jiangyin Xiagang Changjiang Shipbreaking Co., Ltd. and Zhoushan Changhong International Shipyard Co., Ltd., each a corporation incorporated under the laws of the People's Republic of China whose principal offices are respectively at No. 368 West Binjiang Road, Jiangyin City, Jiangsu Province, the People's Republic of China and No. 19 Chuangyuan Avenue, Dinghai Industrial Park, Zhoushan City, Zhejiang Province, the People's Republic of China.

"**Builder's Bank**" means the Builder's bank as specified in Schedule 3 (*MOA Details*).

"**Builder's PDA**" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Builder and the Sellers (evidencing the unconditional physical delivery of the Vessel by the Builder to the Sellers pursuant to the Building Contract).

"**Builder's Portion**" means an amount of the MOA Purchase Price which is no more than the Delivery Instalment.

"**Cancellation Date**" means the date specified in the Cancellation Notice.

"**Cancellation Notice**" has the meaning given to such term in Clause 8 (*Cancellation and refund*).

"**Charterers**" means Makri Shipping Corporation, a company 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, the Republic of the Marshall Islands MH96960.

"**Collateral Buyers**" means in respect of a Collateral Vessel, the party listed alongside the name of that Collateral Vessel under the column "Collateral Buyers" in the table set out in the definition of "Collateral Vessels".

"**Collateral MOA**" means in respect of a Collateral Vessel, the memorandum of agreement for that Collateral Vessel entered or to be entered into between the Collateral Buyers as buyers and the Collateral Sellers as sellers.

"**Contractual Purchase Price**" means the price in respect of the Vessel as stipulated in Article II (*Contract Price & Terms of Payment*) of the Building Contract which, as at the date of this Agreement, is US$62,825,081.87, as the same may be subject to adjustment in accordance with the terms of the Building Contract.

"**Collateral Sellers**" means in respect of a Collateral Vessel, the party listed alongside the name of that Collateral Vessel under the column "Collateral Sellers" in the table set out in the definition of "Collateral Vessels".

"**Collateral Vessels**" means the vessels set out below:

Collateral Vessel	Collateral Buyers	Collateral Sellers
Vessel with builder's hull no. CHB2026	海津九号 (天津)租赁有限公司 (Haijin No. 9 (Tianjin) Leasing Co., Limited)	Muses Shipping Corporation
Vessel with builder's hull no. S-1646	海津十号 (天津)租赁有限公司 (Haijin No. 10 (Tianjin) Leasing Co., Limited)	Tarak Shipping Corporation
Vessel with builder's hull no. S-1648	海津十一号(天津)租赁有限公司 (Haijin No. 11 (Tianjin) Leasing Co., Limited)	Ithaki Shipping Corporation

"**Delivery Date**" has the meaning given to such term in Clause 2.2.2 (*Delivery*).

"**Delivery Instalment**" means the fifth (5th) instalment of the SBC Contract Price due and payable by the Sellers to the Builder in accordance with the Building Contract.

"**Delivery Location**" means:

(a) the Builder's shipyard as set out in the Building Contract; or

(b) such other location as the Sellers and the Buyers may mutually agree prior to the Delivery Date following consultation with the Builder and which is in a jurisdiction without any interference to the operation of the Vessel.

"**Upfront Hire Letter**" means the upfront hire letter made or to be made between the Buyers and the Sellers.

"**Flag State**" means the Republic of Liberia or such other ship registry or flag acceptable to the Buyers (acting reasonably).

"**Long Stop Date**" means the long stop date as provided in Schedule 3.

"**Market Value**" means the value of the Vessel ascertained in accordance with Clause 30 (*Determination of Market Value*).

"**MOA Purchase Price**" means the amount which the Buyers shall pay or deemed to have paid in accordance with this Agreement, which shall be the lowest of:

(a) US$43,950,000;

(b) 70% of the Contractual Purchase Price as at the Delivery Date; and

(c) 70% of the Market Value of the Vessel.

"**MOA Termination Event**" means each of the events specified in Clause 12.1 of Clause 12 (*MOA Termination Events*).

"**Payment Notice**" means a notice in substantially the form set out in Schedule 2 (*Form of Payment Notice*) hereto (or such other form as the Buyers may require).

"**Port State**" means the jurisdiction:

(a) in which the Delivery Location is located; and/or

(b) in which delivery of the Vessel will take place; and/or

(c) which would otherwise have the power under all applicable laws to detain the Vessel before she is delivered by the Builder to the Sellers or by the Sellers to the Buyers (as applicable).

"**Potential MOA Termination Event**" means an MOA Termination Event or any event or circumstance which would (with the expiry of a grace period, the giving of notice or the making of any determination under the Transaction Documents) be an MOA Termination Event.

"**Pre-Delivery Period**" means the period commencing from the date of this Agreement up to the Delivery Date and acceptance of the Vessel by the Buyers in accordance with Clause 42 (*Pre-Delivery and Delivery*) of the Charter.

"**Pre-Position Date**" means the date specified in the Payment Notice as the date on which the Buyers shall pre-position the MOA Purchase Price into the Builder's Bank, which shall not be earlier than three (3) Business Days prior to the Delivery Date or such later date as agreed by the Buyers.

"**Project Documents**" means, together, the Transaction Documents, the Building Contract, any Sub-Charter and any Sub-Charter Guarantee.

"**Project Party**" means each of the Builder, any Sub-Charterers and any Sub-Charter Guarantor and "**Project Parties**" means any two (2) or more of them.

"**Published Rate**" means Term SOFR for three (3) months.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

(a) the methodology, formula or other means of determining the Published Rate has, in the opinion of the Sellers and the Buyers, materially changed; or

(b) any of the following applies:

(i) either:

(A) the administrator of that Published 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 Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued;

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or

(c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published 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 events leading to such determination are not (in the opinion of the Sellers and the Buyers) temporary; or

(ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than ten (10) days or such other period that the parties may specify; or

(d) in the opinion of the Sellers and the Buyers, that Published Rate is otherwise no longer appropriate for the purposes of calculating the Remittance Interest under this Agreement.

"**Reference Rate**" means, in relation to any Remittance Interest:

(a) the applicable Term SOFR as of the Term SOFR Quotation Day and for a period equal in length to the Remittance Interest Period; or

(b) as otherwise determined pursuant to Clause 47.14 (*Unavailability of Term SOFR)* of the Charter,

and if that rate is less than zero, the Reference Rate shall be deemed to be zero.

"**Relevant Market**" means the market for overnight cash borrowing collateralised by US Government securities.

"**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.

"**Remittance Interest Applicable Rate**" means either:

(a) for any Remittance Interest Period of which the Remittance Interest Determination Date falls before the occurrence of a Published Rate Replacement Event, the Reference Rate; or

(b) for any Remittance Interest Period of which the Remittance Interest Determination Date falls upon or after the occurrence of a Published Rate Replacement Event, the Replacement Reference Rate.

"**Remittance Interest Determination Date**" means, in relation to a Remittance Interest Period, the date falling five (5) Business Days prior to such Remittance Interest Period.

"**Remittance Interest Period**" means the relevant period determined in accordance with Clause 6.4 (*Payment*).

"**Replacement Reference Rate**" means a Reference Rate which is:

(a) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Published 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 Reference Rate" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Buyers and the Sellers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to that Published Rate; or

(c) in the opinion of the Buyers and the Sellers, an appropriate successor or alternative to a Published Rate.

"**Scheduled Delivery Date**" means the scheduled delivery date specified in Schedule 3 (*MOA Details*).

"**Security Documents**" means the following:

(a) the Assignment of Warranty;

(b) the Account Pledges;

(c) the Share Pledge;

(d) the Charter Guarantee;

(e) the Time Charter Assignment;

(f) the Charterers' Assignment; and

(g) any Manager's Undertaking,

and any other document that may at any time be executed by any person creating, evidencing or perfecting any Encumbrance to secure all or part of the Obligors' obligations under or in connection with the Transaction Documents, and "**Security Document**" means any one of them.

"**Sellers' Account**" means the following bank account:

Bank: Hamburg Commercial Bank AG

Bank Address: Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany

SWIFT Code: HSHNDEHH

Correspondent Bank: The Bank of New York Mellon, New York

Correspondent Bank SWIFT: IRVTUS3N

Beneficiary: Thalia Shipping Corporation

Account No.: 1200080192

IBAN: DE15210500001200080192

"**Sellers' Bill of Sale**" means the bill of sale in respect of the Vessel to be executed by the Sellers recordable in the Flag State (in a form acceptable to the Buyers, transferring title of the Vessel to the Buyers and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever).

"**Sellers' PDA**" means the protocol of delivery and acceptance in respect of the Vessel to be executed by the Sellers and the Buyers (evidencing the unconditional delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement).

"**Sellers' Portion**" means any balance of the MOA Purchase Price remaining after deduction of the Builder's Portion.

"**Term SOFR**" means the Term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"**Term SOFR Quotation Day**" means, in relation to any period for which an interest rate is to be determined in respect of a Remittance Interest, two US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loan market, in which case the Term SOFR Quotation Day will be determined by the Buyers in accordance with that market practice (and if quotations would normally be given on more than one day, the Term SOFR Quotation Day will be the last of those days)).

"**Transaction Documents**" means, together, the Charter, this Agreement, the Security Documents, the Upfront Hire Letter and such other documents as may be designated as such by the Buyers and the Sellers from time to time and "Transaction Document" means any one of them.

"**Upfront Hire**" has the meaning given to such term in Clause 10 (*Fees*).

"**US Government Securities Business Day**" means any day other than:

(a) a Saturday or a Sunday; and

(b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

1.2 **Interpretations**

1.2.1 In this Agreement, unless the context otherwise requires, any reference to:

(a) to this Agreement include the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Agreement and, in the case of a Schedule, to such Schedule as incorporated in this Agreement as substituted from time to time;

(b) any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any substitution therefor;

(c) the term "**Vessel**" includes any part of the Vessel;

(d) "**assets**" includes present and future properties, revenues and rights of every description;

(e) the "**Buyers**", the "**Sellers**", any "**Project Party**" or any other person include any of their respective successors, permitted assignees and permitted transferees;

(f) a "**Project Document**" or any other agreement, instrument or document include such agreement, instrument or document as the same may from time to time be amended, modified, supplemented, novated or substituted;

(g) "**control**" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;

(ii) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or

(iii) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;

(h) the "**equivalent**" in one currency (the "**first currency**") as at any date of an amount in another currency (the "**second currency**") shall be construed as a reference to the amount of the first currency which could be purchased with such amount of the second currency at the spot rate of exchange quoted by the Buyers at or about 11:00 a.m. two (2) business days (being a day other than a Saturday or Sunday on which banks and foreign exchange markets are generally open for business in Beijing) prior to such date for the purchase of the first currency with the second currency for delivery and value on such date;

(i) "**hereof**", "**herein**" and "**hereunder**" and other words of similar import means this Agreement as a whole (including the Schedules) and not any particular part hereof;

(j) "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, rule, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, request or requirement, or official or judicial interpretation of any of the foregoing, in each case having the force of law and, if not having the force of law, in respect of which compliance is generally customary;

(k) "**month**" means, save as otherwise provided, a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last day in that calendar month;

(l) the word "**person**" or "**persons**" or to words importing persons include, without limitation, any state, divisions of a state, government, individuals, partnerships, corporations, ventures, government agencies, committees, departments, authorities and other bodies, corporate or unincorporated, whether having distinct legal personality or not;

(m) the "**winding-up**", "**dissolution**", "**administration**", "**liquidation**", "**insolvency**", "**reorganisation**", "**readjustment of debt**", "**suspension of payments**", "**moratorium**" or "**bankruptcy**" (and their derivatives and cognate expressions) of any person shall each be construed so as to include the others and any equivalent or analogous proceedings or event under the laws of any jurisdiction in which such person is incorporated or any jurisdiction in which such person carries on business;

(n) a Potential MOA Termination Event (other than an MOA Termination Event) is "continuing" if it has not been remedied or waived and an MOA Termination Event is "continuing" if it has not been waived;

(o) words denoting the plural number include the singular and vice versa; and

(p) the determination of the extent to which a rate is "**for a period equal in length**" to a Remittance Interest Period shall disregard any inconsistency arising from the last day of that Remittance Interest Period being determined pursuant to the terms of this Agreement.

1.2.2 Headings are for the purpose of reference only, have no legal or other significance, and shall be ignored in the interpretation of this Agreement.

1.2.3 A time of day (unless otherwise specified) is a reference to Beijing time.

2 Sale and purchase

2.1 Agreement for sale and purchase

The Sellers hereby agree to sell and the Buyers hereby agree to purchase the Vessel on the terms and conditions of this Agreement.

2.2 Delivery

2.2.1 Not later than 11.00 a.m. three (3) Business Days (or such shorter period as the Buyers and the Sellers may agree) prior to the date on which the Sellers may deliver to the Buyers the Payment Notice in respect of the MOA Purchase Price, the Sellers shall give the Buyers an irrevocable and unconditional notice of delivery in writing which shall specify the Scheduled Delivery Date. At the time of delivery of the Vessel by the Sellers to the Buyers, the Vessel shall be located at the Delivery Location.

2.2.2 The Vessel shall be sold and delivered by the Sellers, with full title guarantee, to the Buyers on the Scheduled Delivery Date (or such later date which is agreed between the Sellers and the Buyers (in each case the "**Delivery Date**")), free and clear of all Encumbrance.

2.2.3 On the Delivery Date, the following events are to occur simultaneously:

(a) delivery of the Vessel by the Sellers to the Buyers pursuant to this Agreement; and

(b) delivery of the Vessel by the Buyers (as owners under the Charter) to the Charterers (as bareboat charterers under the Charter) pursuant to the Charter (such date being, for the avoidance of doubt, the "Actual Delivery Date" as defined under the Charter).

2.2.4 On the Delivery Date, the Sellers shall deliver to the Buyers an executed Sellers' Bill of Sale and other documents set out in paragraph 2 (*Title transfer documents*) in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*), whereupon all of the title to, interest in and all ownership rights with respect to the Vessel shall pass from the Sellers to the Buyers.

2.2.5 Upon delivery of the Vessel, the Sellers and the Buyers shall execute the Sellers' PDA, whereupon the Sellers shall be deemed to have given, and the Buyers to have received and accepted, possession of the Vessel.

3 MOA Purchase Price

3.1 **Purchase price of the Vessel**

3.1.1 The purchase price of the Vessel payable by the Buyers to the Sellers under this Agreement shall be an amount equal to the MOA Purchase Price.

3.1.2 The purchase price referred to in Clause 3.1.1 which is in the amount of the MOA Purchase Price shall cover the purchase of the Vessel and, to the extent owned by the Sellers, everything then belonging to her on board, except any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions which shall remain the property of the Sellers and for which no payment by the Buyers shall be required.

4 Currency of payment

4.1 Subject to the remaining provisions of this Clause 4 (*Currency of payment*), USD is the currency of account and payment for any sum due from:

4.1.1 the Buyers to the Sellers under this Agreement; and

4.1.2 an Obligor to the Buyers under any Transaction Document.

4.2 Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

4.3 Any amount expressed to be payable in a currency other than USD shall be paid in that currency.

4.4 If a change in any currency occurs, this Agreement will, to the extent the Buyers specify to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant market and otherwise to reflect the change in currency.

5 Payment Notice

5.1 **Delivery of a Payment Notice**

The Sellers may request the Buyers to make a payment in respect of the MOA Purchase Price by delivery to the Buyers of a duly completed Payment Notice no later than ten (10) Business Days before the anticipated Pre-Position Date and no later than the relevant Long Stop Date (or such other period as may be agreed by the Sellers and the Buyers).

5.2 **Completion of a Payment Notice**

The Payment Notice is irrevocable and will not be regarded as having been duly completed or valid unless:

5.2.1 it is delivered by the Sellers and received by the Buyers before the Long Stop Date;

5.2.2 it clearly:

(a) identifies the proposed Pre-Position Date; and

(b) sets out the precise amount of the MOA Purchase Price, the Builder's Portion and the Sellers' Portion;

5.2.3 it is signed by an authorised signatory of the Sellers;

5.2.4 the currency of the proposed Instalment to be paid is US Dollars; and

5.2.5 the proposed date of payment is a Business Day and is no later than the relevant Long Stop Date.

6 Payment

6.1 The Sellers and the Buyers agree that the MOA Purchase Price shall be paid by the Buyers by:

6.1.1 depositing with the Builder's Bank (to be held in suspense without allocation to any account) the Builder's Portion which shall be subsequently released in accordance with Clause 6.2 (*Payment*); and

6.1.2 thereafter payment of the Sellers' Portion to the Sellers' Bank in accordance with Clause 6.5 (*Payment*) below.

6.2 On or before the Pre-Position Date, if the Buyers have received evidence (in the form of a written confirmation from the Builder or the Builder's Bank) that an MT199 message is acceptable to the Builder's Bank and the Sellers, each acting reasonably that the Builder's Portion will be held to the order of the Buyers and will only be unconditionally and irrevocably released to the Builder or to such person(s) as may be nominated by the Sellers upon presentation to the Builder's Bank of a copy (transmitted by fax, email or otherwise) of the Builder's PDA, which is:

6.2.1 duly signed by an authorised signatory of the Builder and the Sellers, whose details shall be communicated to the Builder's Bank in writing (electronically by SWIFT message or otherwise) on or before the proposed Pre-Position Date; and

6.2.2 countersigned by an authorised signatory of the Buyers and if requested by a Finance Party and acceptable to the Builder, such Finance Party, whose details shall be communicated to the Builder's Bank in writing (electronically or otherwise) on or before the proposed Pre-Position Date,

then the Buyers shall deposit with the Builder's Bank the Builder's Portion to be so held and so released, provided that the Buyers' obligation to deposit with the Builder's Bank the Builder's Portion is always subject to the Buyers being satisfied that all of the conditions precedent listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto have been satisfied.

6.3 The Sellers agree to release, discharge, defend, indemnify, waive and hold harmless the Buyers from and against any liability, obligation or claim which may be asserted, claimed or recovered against the Buyers for any reason directly arising out of the release of, or the failure to release (as the case may be), the Builder's Portion by the Builder's Bank.

6.4 Interest on the part of the Builder's Portion actually deposited with the Builder's Bank shall accrue at the rate which is the aggregate of two per cent. (2%) per annum and the Remittance Interest Applicable Rate for the relevant period (the "**Remittance Interest**") shall:

6.4.1 in the event that the Vessel is delivered to the Buyers on the Delivery Date, accrue from (and including) the Pre-Position Date until (but excluding) the Delivery Date; and

6.4.2 in the event that the Vessel is not delivered to the Buyers on the Delivery Date, accrue from the Pre-Position Date until the date the Builder's Portion is returned by the Sellers to the Buyers in accordance with Clause 11.3 (*Refund of pre-positioned amount*) (both dates inclusive).

The Sellers shall pay to the Buyers the amount of the Remittance Interest (or any part thereof) as notified by the Buyers to the Sellers within three (3) Business Days of the Buyers' demand.

6.5 Subject to no Termination Event having then occurred and is continuing, the Buyers shall pay the Sellers' Portion to the Sellers' Bank one (1) Business Day after the Delivery Date.

6.6 The Sellers agree to release, discharge, defend, indemnify, waive and hold harmless the Buyers from and against any liability, obligation or claim which may be asserted, claimed or recovered against the Buyers for any reason directly arising out of the release of, or the failure to release (as the case may be), the Sellers' Portion by the Sellers' bank.

6.7 A transfer of funds by the Buyers to account(s) set out in the Payment Notice in accordance with this Clause shall constitute payment of the MOA Purchase Price for the purposes of this Agreement.

7 Conditions precedent and subsequent

7.1 Initial conditions precedent

7.1.1 The Sellers may not deliver the Payment Notice unless the Buyers have received all the documents and other evidence listed in Part I (*Initial conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

7.1.2 The Buyers shall only be obliged to make a payment in respect of any Payment Notice if:

(a) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from such payment; and

(b) the representations made by the Sellers (as charterers) under clause 54 (*Charterers' representations and warranties*) of the Charter are true on the date of the relevant Payment Notice and the actual date of payment; and

(c) no event of default (however described) has occurred under any Project Document entitling the non-defaulting party to terminate such Project Document.

7.2 **Delivery Date conditions precedent**

7.2.1 The Buyers will only be obliged to purchase the Vessel, sign the Sellers' PDA, countersign the Builder's PDA and agree to the release of the pre-positioned Builder's Portion on the Delivery Date if:

(a) on the Delivery Date, the Buyers have received all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers;

(b) no Potential MOA Termination Event or MOA Termination Event has occurred and is continuing or would result from the payment or release of the MOA Purchase Price; and

(c) the Repeating Representations are true in all material respects as if made on the Delivery Date.

7.2.2 For the avoidance of doubt, the Sellers must, on or before the Delivery Date, deliver to the Buyers all the documents and other evidence listed in Part II (*Delivery Date conditions precedent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto in form and substance satisfactory to the Buyers.

7.3 **Conditions subsequent**

The Sellers undertake to deliver or cause to be delivered to the Buyers the documents and evidence listed in Part III (*Conditions subsequent*) of Schedule 1 (*Conditions precedent and subsequent*) hereto within the relevant time periods stipulated therein.

7.4 **No waiver**

7.4.1 The conditions set out in this Clause 7 are for the sole benefit of the Buyers and may be waived or deferred by the Buyers in whole or in part and with or without conditions. The foregoing is without prejudice to the Buyers' rights to require fulfilment of any such conditions by the Sellers in whole or in part at any time after the date of payment or release of the MOA Purchase Price (or any part thereof).

7.4.2 If the Buyers in their sole discretion agree to advance all or any part of the MOA Purchase Price to the Sellers before all of the documents and evidence required by this Clause 7 have been delivered to the Buyers, the Sellers undertake to deliver all outstanding documents and evidence to the Buyers no later than the date specified by the Buyers.

7.4.3 The advance of all or any part of the MOA Purchase Price under this Clause 7.4 shall not be taken as a waiver of the Buyers' right to require production of all the documents and evidence required by this Clause 7.

7.5 **Form and content**

All documents and evidence delivered to the Buyers under this Clause 7 shall be in form and substance acceptable to the Buyers.

8 Cancellation and refund

If an MOA Termination Event is continuing, the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel this Agreement, whereupon the Buyers' purchase of the Vessel under this Agreement shall be cancelled on the applicable Cancellation Date, and the Buyers shall be relieved from any further obligation to pay any part of the MOA Purchase Price (or any other amount) under this Agreement from the Cancellation Date, and the Sellers shall upon demand:

8.1 pay the Buyers all accrued but unpaid Remittance Interest, Arrangement Fee, other fees and legal costs, and other out-pocket expenses and liabilities of the Buyers suffered or incurred by the Buyers in connection with the transactions contemplated by this Agreement and the other Transaction Documents; and

8.2 pay the Buyers any other sum due and payable but unpaid by any Obligor under any Transaction Document.

9 Sellers' payments

9.1 **Default interest**

If the Sellers fail to pay any amount payable by them under this Agreement on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is two per cent. (2%) per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted the amount payable under this Agreement in US Dollars. Any interest accruing under this Clause 9.1 shall be immediately payable by the Sellers on demand by the Buyers. Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum on a quarterly basis but will remain immediately due and payable.

9.2 **Sellers' payment obligation absolute**

The Sellers' obligation to pay Remittance Interest in accordance with Clause 6.4 (*Payment*) and all Unpaid Sums to the Buyers pursuant to this Agreement shall be absolute irrespective of any contingency whatsoever including but not limited to:

9.2.1 any set-off, condition, counterclaim, recoupment, defence or other whatsoever right the Sellers may have against the Buyers, the Finance Parties or any other third party;

9.2.2 any delay in the delivery of the Vessel, any unavailability of the Vessel, for any reason, including but not limited to construction of the Vessel, capture, seizure, arrest or similar event of whatsoever nature in relation to the Vessel, seaworthiness, condition, design, operation, merchantability or fitness for use or purpose of the Vessel or any apparent or latent defects in the Vessel or its machinery and equipment or the ineligibility of the Vessel for any particular use or trade or for registration of documentation under the laws of any relevant jurisdiction or lack of registration or the absence or withdrawal of any consent required under the applicable law of any relevant jurisdiction for the ownership, chartering, use or operation of the Vessel or any damage to the Vessel;

9.2.3 any failure or delay on the part of either party to this Agreement, whether with or without fault on its part, in performing or complying with any of the terms, conditions or other provisions of this Agreement;

9.2.4 any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Buyers or the Sellers or any change in the constitution of the Buyers or the Sellers;

9.2.5 any invalidity or unenforceability or lack of due authorisation of or any defect in this Agreement;

9.2.6 any other cause which would but for this provision have the effect of terminating or in any way affecting the obligations of the Sellers hereunder,

it being the intention of the parties that the provisions of this Clause 9 (*Sellers' payment*), and the obligation of the Sellers to pay Remittance Interest and all Unpaid Sums and make any payments under this Agreement, shall survive any frustration and that, save as expressly provided in this Agreement, no moneys paid under this Agreement by the Sellers to the Buyers shall in any event or circumstance be repayable to the Sellers.

9.3 **All payments free from deductions**

9.3.1 All payments of Remittance Interest and all Unpaid Sums to the Buyers pursuant to this Agreement and the other relevant Transaction Documents shall be made in immediately available funds in US Dollars, free and clear of, and without Tax Deduction.

9.3.2 In the event that the Sellers are required by any law or regulation to make any Tax Deduction on account of any taxes which arise as a consequence of any payment due under this Agreement, then:

(a) the Sellers shall notify the Buyers promptly after they become aware of such requirement;

(b) the Sellers shall remit the amount of such taxes to the appropriate taxation authority within seven (7) days or any other applicable shorter time limits and in any event prior to the date on which penalties attach thereto; and

(c) such payment shall be increased by such amount as may be necessary to ensure that the Buyers receive a net amount which, after deducting or withholding such taxes, is equal to the full amount which the Buyers would have received had such payment not been subject to such taxes.

The Sellers shall forward to the Buyers evidence reasonably satisfactory to the Buyers that any such taxes have been remitted to the appropriate taxation authority within thirty (30) days of the expiry of any time limit within which such taxes must be so remitted or, if earlier, the date on which such taxes are so remitted.

10 Fees

The Sellers shall pay to the Buyers the upfront hire (the "**Upfront Hire**") in the amount and at the time agreed in the Upfront Hire Letter.

11 Sellers' undertakings

The Sellers hereby undertake to the Buyers that they will comply in full and procure compliance (where applicable) with the following undertakings throughout the Pre-Delivery Period.

11.1 **Compliance with Charter** The Sellers shall comply with all their undertakings of the Seller set out in the Charter.

11.2 **Notification of MOA Termination Event** The Sellers shall promptly, upon becoming aware of the same, inform the Buyers in writing of the occurrence of any Potential MOA Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a request from the Buyers, confirm to the Buyers that, save as previously notified to the Buyers or as notified in such confirmation, no Potential MOA Termination Event is continuing or if a Potential MOA Termination Event is continuing specifying the steps, if any, being taken to remedy it.

11.3 **Refund of pre-positioned amount** If the Buyers have made a transfer of funds to the Builder's Bank in accordance with Clause 6 (*Payment*) but delivery of the Vessel does not occur on a date within ten (10) calendar days after the Pre-Position Date, then the Sellers shall refund the MOA Purchase Price and any other amount so transferred by the Buyers in accordance with the relevant payment instructions (or such other equivalent document), **provided that** the Sellers' obligations under this Clause 11.3 shall be deemed to be complied by any repayment (but only to the extent and amount of such repayment) by the Builder's Bank to the Buyers or their bank of any part of the MOA Purchase Price and any other amount so transferred by the Buyers in connection with Clause 6 (*Payment*).

11.4 **Building Contract** The Sellers shall ensure that:

11.4.1 the Building Contract remains legal, valid, binding and enforceable against the Builder;

11.4.2 none of the events or circumstances set out at paragraph 1, Article XI (*Default of the Buyer*) has occurred; and

11.4.3 there shall be no breach, material amendment, supplement, replacement and/or waiver of the Building Contract. For the purpose of this Clause 11.4.3, an alteration any term of the Building Contract shall be deemed "material" if, when taken together with all previous alterations, it would result in an overall increase or reduction of more than twenty per cent. (20%) in the price of the Vessel under the Building Contract or it would result in the "Delivery Date" (as such term is described under the Building Contract) being changed.

12 MOA Termination Events

12.1 Each of the following events shall constitute an MOA Termination Event.

12.1.1 **Conditions precedent and subsequent**

(a) Any of the conditions set out in Clause 7 (*Conditions precedent and subsequent*) is not satisfied by the date specified by the Buyers pursuant to Clause 7.4.2 (*No waiver*).

(b) Any of the conditions referred to in Clause 7.3 (*Conditions subsequent*) is not satisfied by the relevant time or such other time period specified by the Buyers in their discretion.

12.1.2 **Breach of MOA undertakings** The Sellers fail to perform or comply with any of the obligations expressed to be assumed by it in this Agreement.

12.1.3 **Charter termination events** Any event or circumstance referred to in clause 59.1 (*Termination Events*) of the Charter occurs.

12.1.4 **Late delivery of Vessel** The Vessel is not delivered by the Sellers to the Buyers under this Agreement by the Long Stop Date (including, without limitation, by reason of failure by the Sellers to satisfy any of their obligations under Clause 7 (*Conditions precedent and subsequent*)).

12.1.5 **Illegality** It becomes unlawful or it is prohibited for the Buyers to purchase the Vessel pursuant to this Agreement and, to the extent that the law permits the Buyers to notify the Sellers of the relevant event, the Sellers and the Buyers fail to agree an alternative having negotiated in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Buyers) after the Buyers have given notice to the Sellers of the relevant event.

12.1.6 **Building Contract**

(a) The Building Contract is terminated, rescinded, cancelled, repudiated, suspended or otherwise ceases to remain in full force and effect, or is transferred, assigned, novated or otherwise disposed of to any person (other than pursuant to the relevant Security Documents).

(b) The obligation of the Builder to deliver the Vessel under the Building Contract becomes unlawful or unenforceable due to illegality or invalidity.

(c) Any of the events or circumstances set out at paragraph 1, Article XI (*Default of the Buyer*).

12.2 Upon the occurrence of an MOA Termination Event which is continuing, and without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement, the Buyers may exercise their rights and powers referred to under Clauses 8 (*Cancellation and refund*) and 13 (*Buyers' powers following cancellation*).

13 Buyers' powers following cancellation

13.1 **Powers following cancellation**

13.1.1 Without prejudice to the generality of the powers and remedies vested in the Buyers under this Agreement and the other Transaction Documents, at any time after the occurrence of an MOA Termination Event which is continuing:

(a) the Buyers may by notice in writing to the Sellers (such notice being the "**Cancellation Notice**") cancel the Buyers' purchase of the Vessel under this Agreement on the applicable Cancellation Date, whereupon the Buyers shall be relieved from any obligation to pay any part of the MOA Purchase Price (or any other amount) under this Agreement from the Cancelling Date, and the Seller shall upon demand:

(i) refund to the Buyers the full amount of the MOA Purchase Price (or any part thereof) which the Buyers have already paid by the Cancellation Date in accordance with Clause 11.3 (*Refund of pre-positioned amount*); and

(ii) pay the Buyers any expenses, costs and disbursements (including, without limitation, any Arrangement Fee or any other fee, legal and other experts' costs) incurred by the Buyers, and any liabilities of the Buyers suffered or incurred by the Buyers, in connection with the transactions contemplated by this Agreement, the other Transaction Documents and the Finance Documents; and

(b) if the Sellers have not paid the Buyers in full the amounts payable under paragraph (a) above, the Buyers shall become immediately entitled:

(i) to collect, recover, compromise and give a good discharge for, all claims then outstanding or arising subsequently under or in respect of all or any part of such claims, and to take over or institute (if necessary using the names of the Sellers) all such proceedings as the Buyers in their sole and absolute discretion think fit;

(ii) to recover from the Sellers on demand all costs and expenses (including, without limitation, legal fees) incurred or paid by the Buyers in connection with the exercise of the powers (or any of them) referred to in this Clause 13.1; and

(iii) to not make any payment in relation to the Payment Notice.

13.2 **Delegation**

The Buyers may delegate in any manner to any person any rights exercisable by the Buyers under this Agreement. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Buyers think fit.

13.3 **Survival of Sellers' obligations**

The termination of this Agreement for any cause whatsoever shall not affect the right of the Buyers to recover from the Sellers any money due to the Buyers in consequence thereof and all other rights of the Buyers (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Agreement) are reserved hereunder.

14 Changes to parties

The Sellers may not assign or transfer any or all of their rights or obligations under this Agreement.

15 Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

16 No waiver

No delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Agreement will operate as a waiver. No waiver of any breach of any provision of this Agreement will be effective unless that waiver is in writing and signed by the party against whom that waiver is claimed. No waiver of any breach will be, or be deemed to be, a waiver of any other or subsequent breach.

17 Entire agreement and amendments

17.1 The written terms of this Agreement comprise the entire agreement between the Buyers and the Sellers in relation to the sale and purchase of the Vessel and supersede all previous agreements whether oral or written between the parties in this Agreement in relation thereto.

17.2 Each of the parties to this Agreement acknowledges that in entering into this Agreement, it has not relied on and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether or not made negligently) other than as expressly set out in this Agreement.

17.3 Any terms implied into this Agreement by the Sale of Goods Act 1979 are hereby excluded to the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude any liability for fraud.

17.4 This Agreement may not be amended, altered or modified except by a written instrument executed by each of the parties to this Agreement.

18 Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Agreement or application of such term or provision to persons or circumstances (other than those as to which it is already invalid or unenforceable) shall (to the extent that such invalidity or unenforceability does not materially affect the operation of this Agreement) not be affected thereby and each term and provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

19 English language

All notices, communications and financial statements and reports under or in connection with this Agreement and the other Transaction Documents shall be in English language or, if in any other language, shall be accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

20 No partnership

Nothing in this Agreement creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and neither party may make, or allow to be made any representation that any such relationship exists between the parties. Neither party shall have the authority to act for, or incur any obligation on behalf of, the other party, except as expressly provided in this Agreement.

21 Notices

21.1 Any notices to be given to the Buyers under this Agreement shall be sent in writing by registered letter, facsimile or email and addressed to:

海津八号 (天津)租赁有限公司 (HAIJIN NO. 8 (TIANJIN) LEASING CO., LIMITED)

Address: c/o ICBC Financial Leasing Co., Ltd.

16-19/F, Building 5, Yuetan Center
1 Yuetan South Street
Xicheng District, Beijing 100045
The People's Republic of China

Email: anjingshu@leasing.icbc.com.cn; zhangyichi@leasing.icbc.com.cn; xuguangpeng@leasing.icbc.com.cn; saijianan@leasing.icbc.com.cn

Attention: Ms An Jingshu; Mr. Zhang Yichi; Mr. Xu Guangpeng; Mr. Simon Sai

or to such other address, facsimile number or email address as the Buyers may notify to the Sellers in accordance with this Clause 21.

21.2 Any notices to be given to the Sellers under this Agreement shall be sent in writing by registered letter, facsimile or email and addressed to:

THALIA SHIPPING CORPORATION

Address: c/o Navios Shipmanagement Inc.

85 Akti Miaouli

Piraeus 185 38

Greece

Fax No.: +30 210 4172070

Email: vpapaefthymiou@navios.com; legal_corp@navios.com

Attention: Ms. Villy Papaefthymiou

or to such other address or email address as the Sellers may notify to the Buyers in accordance with this Clause 21.

21.3 Any such notice shall be deemed to have reached the party to whom it was addressed, when dispatched and acknowledged received (in case of a facsimile or an email) or when delivered (in case of a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following day in such place.

22 Counterparts

This Agreement may be executed in any number of counterparts and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall be deemed to constitute a full and original agreement for all purposes.

23 Third Parties Act

23.1 The Third Parties Act applies to this Agreement as set out in this Clause 23.

23.2 A person who is not a party to this Agreement has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Agreement.

24 Spares, bunkers and other items

24.1 To the extent owned by the Sellers, the Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board **provided that** any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and any unused stores and provisions shall remain the property of the Sellers.

24.2 All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of delivery used or unused, whether on board or not shall become the Buyers' property.

24.3 Concurrent with the delivery of the Vessel under this Agreement, the Buyers shall gain title and ownership to the classification certificate(s) as well as all plans, drawings and manuals, which are on board the Vessel and shall remain on board the Vessel, **provided that** the Buyers agree that the Sellers are only required to provide copies of all plans, drawings and manuals to the Buyers by way of a CD-ROM within thirty (30) days from the Delivery Date upon the Buyers' request. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the Charterers (as bareboat charterers under the Charter) are required to retain same, in which case the Buyers have the right to take copies.

24.4 Copies of other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at the Sellers' expense, if the Buyers so request.

25 Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters (other than the Charter and the Initial Sub-Charter), encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery.

26 Taxes, costs and expenses

Any Taxes, costs and expenses in connection with the purchase and registration of the Vessel in the Flag State shall be for the Sellers' account.

27 Indemnities

27.1 Whether or not any of the transactions contemplated hereby are consummated, the Sellers shall indemnify, protect, defend and hold harmless the Buyers throughout the Pre-Delivery Period from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees (including but not limited to any vessel registration, tonnage and reasonable legal fees), claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including reasonable legal fees and expenses, of whatsoever kind and nature imposed on, suffered or incurred by or asserted against the Buyers, in any way relating to, resulting from or arising out of or in connection with, in each case, directly or indirectly, any one or more of the following:

27.1.1 the delivery (including the Vessel not being delivered on the Scheduled Delivery Date after the Sellers have informed the Buyers of the Scheduled Delivery Date), registration and purchase of the Vessel by the Buyers whether prior to, during or after termination of this Agreement and whether or not the Vessel is in the possession or the control of the Sellers or otherwise in relation to any non-delivery to or acceptance by the Charterers (as bareboat charterers) of the Vessel under the Charter;

27.1.2 any breach of or failure to perform, or any other non-compliance with, any covenant or agreement or other obligation to be performed by the Sellers under any Transaction Document to which they are a party or the falsity of any representation or warranty of the Sellers in any Transaction Document to which they are a party or the occurrence of any Potential MOA Termination Event or any MOA Termination Event;

27.1.3 a failure by an Obligor to pay any amount due under a Transaction Document on its due date; and

27.1.4 funding, or making arrangements to fund, an amount required to be paid by the Buyers pursuant to a Payment Notice but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence of the Buyers).

27.2 Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers in favour of the Buyers shall continue in full force and effect notwithstanding any breach of the terms of this Agreement or termination of this Agreement pursuant to the terms hereof.

28 Calculations and certificates

28.1 In any litigation or arbitration proceedings arising out of or in connection with a Transaction Document, the entries made in the accounts maintained by the Buyers are prima facie evidence of the matters to which they relate.

28.2 Any certification or determination by the Buyers of a rate or amount under any Transaction Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

28.3 Any Remittance Interest, interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

29 Law and dispute resolution

29.1 This Agreement and any non-contractual obligations arising from or in connection with it are in all respects governed by and shall be interpreted in accordance with English law.

29.2 Any dispute arising out of or in connection with this Agreement 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.

29.3 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 seat of arbitration shall be London and the language of the arbitration shall be English.

29.4 The Parties understand, accept and agree that:

29.4.1 This document is part of an overall transaction involving the Transaction Documents, some of which may involve one or more entities that are not party to this document.

29.4.2 In addition to the powers stated in the LMAA Terms and the Arbitration Act 1996 and at law, the arbitration Tribunal shall have power, upon application by a Party, to order that an arbitration commenced under this document be consolidated with one or more other arbitrations commenced under this document or other Transaction Documents.

29.4.3 The Tribunal shall exercise that power as it deems fit for the just and efficient resolution of disputes under this document and other Transaction Documents overall. This can include consideration of factors including but not limited to:

(a) Whether there are common issues of fact or law in the arbitrations for which consolidation is sought.

(b) The present progress of each arbitration for which consolidation is sought.

29.4.4 The "order of priority" amongst the Transaction Documents shall be as follows:

(a) the Charter;

(b) this Agreement;

(c) the Charter Guarantee; and

(d) the Time Charter Assignment, the Share Pledge, the Assignment of Warranty, the Charterers' Assignment and any Managers' Undertakings.

29.4.5 Notwithstanding the above, each Party acknowledges and accepts that the Buyers shall be at absolute liberty to alter the "order of priority" above at any time upon written notice to the Party/Parties and the Tribunal(s) (if any), whether arbitration(s) have been commenced or not.

29.4.6 The Tribunal in the consolidated arbitration shall be constituted by Tribunal in the arbitration under the "highest priority" Transaction Document, of the arbitrations that are to be consolidated. If there are multiple arbitrations commenced under the "highest priority" Transaction Document, the Tribunal in the earliest arbitration under the "highest priority" Transaction Document shall be the Tribunal in the consolidated arbitration.

29.4.7 Where applications for consolidation are made in multiple arbitrations, and the Tribunals reach different decisions on whether to order consolidation, the decision of the Tribunal in the arbitration under the "highest priority" Transaction Document shall prevail and be followed by all Parties. If there are multiple arbitrations commenced under the "highest priority" Transaction Document, the decision of the Tribunal in the earliest arbitration under the "highest priority" Transaction Document shall prevail and be followed by all Parties.

29.4.8 Each Party waives its right to confidentiality whether under the terms of this document, or in respect of arbitration under the LMAA Terms, Arbitration Act 1996, or at law, as between entities which are party to the arbitrations for which consolidation is sought.

29.4.9 Each Party shall not seek to (and waives any right to) object to, undermine, attack, delay, or challenge the proceedings in the consolidated arbitration or the award made in the consolidated arbitration, on grounds arising out of or in relation to confidentiality or the consolidation itself.

29.5 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 fourteen (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 fourteen (14) days specified. If the other party does not appoint

its own arbitrator and give notice that it has done so within the fourteen (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 the Buyers and the Sellers as if the sole arbitrator had been appointed by agreement.

29.6 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

29.7 In cases where neither the claim nor any counterclaim exceeds the sum of US$100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

30 Determination of Market Value

30.1 The Market Value of the Vessel shall be the arithmetic average of two valuations of the Vessel pursuant to two Valuation Reports obtained from two Approved Valuers (each of which shall refer to a fixed figure and not a range of values), one appointed by the Buyers and one appointed by the Sellers.

30.2 Notwithstanding Clause 30.1, if the two Valuation Reports obtained pursuant to Clause 30.1 have a variation greater than 10% (using the higher valuation as a denominator), a third Valuation Report shall be obtained from a third Approved Valuer appointed by the Buyers, and the Market Value of the Vessel shall be the arithmetic average of all three (3) valuations certified pursuant to the three (3) Valuation Reports.

30.3 The Sellers shall arrange, deliver to the Buyers and bear the cost of the issue of each Valuation Report required under this Clause 30.

30.4 Each Valuation Report of the Vessel for purposes of this Clause 30 shall be as at a date no more than thirty (30) days prior to the Delivery Date.

In witness of which the parties to this Agreement have executed this Agreement the day and year first before written.

BUYERS

Signed for and on behalf of)
海津八号 (天津)租赁有限公司 (HAIJIN NO. 8 (TIANJIN))
LEASING CO., LIMITED))
by its lawfully appointed attorney)
/s/ Ng_Yin Ling)
in the presence of:)

(company chop affixed)

Witness signature: /s/ Tan LI Xin, Jean
Name:
Address:

SELLERS

Signed for and on behalf of)
THALIA SHIPPING CORPORATION)
by its lawfully appointed attorney)
/s/ Georgios Panagakis)
in the presence of:)

Witness signature: /s/ Alexandra Kontaxi
Name:
Address:

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Additional Clauses to Bareboat Charter for
one (1) 5,300 TEU Container Vessel with builder's hull number CHB2025

39 Definitions

In this Charter:

"**2018 Withdrawal Act**" means the European Union (Withdrawal) Act 2018.

"**2020 Withdrawal Act**" means the European Union (Withdrawal Agreement) Act 2020.

"**Account Bank**" means Hamburg Commercial Bank AG, Germany or such other bank or financial institution as selected or designated by the Charterers and approved by the Owners.

"**Account Pledges**" means the Charterers' Account Pledge and the Sellers' Account Pledge.

"**Actual Delivery Date**" means the date of delivery of the Vessel by the Owners to the Charterers under this Charter.

"**Affiliate**" means, in relation to any person, a Subsidiary of that person, a Holding Company of that person or any other Subsidiary of that Holding Company.

"**Agent**" means, with respect to an entity, any director, officer, employee or other representative of such entity; any person for whose acts such entity may be vicariously liable; and any other person that acts for or on behalf of, or provides services for or on behalf of, such entity, in each case, whilst acting in his capacity as such.

"**Anti-Bribery Laws**" means the United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010 (as amended from time to time), all other applicable anti-corruption laws and all other national, regional, provincial, state, municipal or local laws and regulations that prohibit the bribery of, or the providing of unlawful gratuities, or any other benefits to, any person.

"**Anti-Money Laundering Laws**" means all applicable financial record-keeping and reporting requirements, anti-money laundering statutes (including all applicable rules and regulations thereunder) and all applicable related or similar laws, rules, regulations or guidelines, of all jurisdictions including and without limitation, the Republic of the Marshall Islands, the United States of America, the European Union, the United Kingdom and the People's Republic of China and which in each case are:

(a) issued, administered or enforced by any governmental agency having jurisdiction over the Owners, any Obligor or any Approved Manager;

(b) of any jurisdiction in which the Owners, any Obligor or any Approved Manager conducts business; or

(c) to which the Owners, any Obligor or any Approved Manager is subjected or subject to.

"**Applicable Rate**" means (subject to Clause 47.16 (*Cost of funds*)),

either:

(a) for any Hire Period in respect of which the Term SOFR Quotation Day falls before the occurrence of a Published Rate Replacement Event, the Reference Rate; or

(b) for any Hire Period in respect of which the Term SOFR Quotation Day falls upon or after the occurrence of a Published Rate Replacement Event, the relevant Replacement Reference Rate.

"**Approved Manager**" means, in relation to the Vessel:

(a) Navios Shipmanagement Inc. ("**NSM**"), a company incorporated under the laws of Marshall Islands with its branch office at 85 Akti Miaouli Street, Piraeus, Greece, 185 38;

(b) any other company which is a Subsidiary or Affiliate of Navios Shipmanagement Holdings Corporation or of Angeliki Frangou; or

(c) any other management company acceptable to the Owners and appointed by the Charterers for the commercial and/or technical management of the Vessel.

"**Approved Valuer**" means each of Clarksons Platou, Braemar, Fearnley, Arrow Shipbroking Group, Maersk Broker, Howe Robinson, VesselsValue, Simpson Spence Young and any other reputable and independent ship brokers acceptable to and approved by the Owners.

"**Assignment of Warranty**" means the assignment agreement in respect of the Builder's Warranty in the form annexed hereto at Schedule 4.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Balloon Amount**" means the amount as set out in Schedule 3, and subject to any adjustment in accordance with Clause 62.3.2 (*Purchase Obligation*), which, absent manifest error, shall be conclusively certified by the Owners in writing.

"**Bank Member**" means Industrial and Commercial Bank of China or any of their Affiliates (including branches) and representatives in any jurisdiction.

"**Break Costs**" means all break funding costs and expenses incurred or payable by the Owners as a result of the receipt of the Owners of any amount payable to the Owners under or in relation to the Transaction Documents on a day other than the relevant Termination Payment Date or the due date for payment of any such amount in question.

"**Builder**" means collectively, Jiangyin Xiagang Changjiang Shipbreaking Co., Ltd. and Zhoushan Changhong International Shipyard Co., Ltd., each a corporation incorporated under the laws of the People's Republic of China whose principal offices are respectively at No. 368 West Binjiang Road, Jiangyin City, Jiangsu Province, the People's Republic of China and No. 19 Chuangyuan Avenue, Dinghai Industrial Park, Zhoushan City, Zhejiang Province, the People's Republic of China.

"**Builder's Warranty**" has the meaning given to such term in Clause 42.8 (*Pre-delivery and delivery*).

"**Building Contract**" means the shipbuilding contract in respect of the Vessel dated 26 January 2022 and made between the Sellers (as buyer) and the Builder (as seller) in relation to the construction and sale and purchase of the Vessel, as may be amended, supplemented and/or varied from time to time.

"**Business**" means, with respect to an entity, its business conducted in its ordinary course of business.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks and financial markets are open for business in Beijing, Hong Kong, London, Athens, the jurisdiction in which the account of the Owners referred to in Clause 47.5 (*Payment account information*) is opened, and:

(a) (in relation to the determination of the Actual Delivery Date) the Charterers' nominated flag state in respect of the Vessel;

(b) (in relation to any date for payment in US dollars) in New York and Hamburg; and

(c) (in relation to any date for the fixing of Term SOFR for any Variable Hire) which is a US Government Securities Business Day relating to that Variable Hire.

"**Business Ethics Laws**" means any laws, regulations and/or other legally binding requirements or determinations in relation to bribery, corruption, fraud, money-laundering, terrorism, collusion bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to either party or to any jurisdiction where activities are performed, include without limitation the Anti-Bribery Laws and the Anti-Money Laundering Laws.

"**Change of Control**" means:

(a) any change in the direct legal or beneficial ownership of any of the shares in the Charterers or control of the Charterers;

(b) any change resulting in the Permitted Holders legally or beneficially owning or controlling (directly or indirectly) less than five (5%) of the partnership interests in the Charter Guarantor; or

(c) any change resulting in the Permitted Holders ceasing to legally or beneficially owning or controlling less than one hundred per cent (100%) of the membership interests of Olympos Maritime Ltd., the general partner of the Charter Guarantor.

"**Charter Guarantee**" means the guarantee made or to be made by the Charter Guarantor in favour of the Owners in respect of the Obligors' and Approved Managers' obligations under the Transaction Documents.

"**Charter Guarantor**" means Navios Maritime Partners L.P., limited partnership formed and existing under the laws of the Republic of the Marshall Islands whose registered address is Trust Company Complex, Ajeltake Island, Ajeltake Road, Majuro, the Republic of the Marshall Islands MH96960.

"**Charter Period**" means, subject to Clauses 59 (*Termination Events*), 62 (*Early Termination, purchase obligation and transfer of title*), 63 (Total Loss) and 62.5.2, the period of one hundred and twenty (120) months commencing from the Actual Delivery Date.

"**Charterers' Account Pledge**" means the account pledge or charge over the Charterers' Earnings Account and all amounts from time to time standing to the credit to the Charterers' Earnings Account from the Charterers in favour of the Owners.

"**Charterers' Assignment**" means any deed of assignment executed or to be executed (as the case may be) by the Charterers in favour of the Owners in relation to the Charterers' rights and interest in and to (amongst other things) (a) the Earnings, (b) the Insurances, (c) the Requisition Compensation, (d) the Sub-Time Charter and any Sub-Charter (other than the Initial Sub-Charter) and (e) any Sub-Charter Guarantee (other than the Initial Sub-Charter Guarantee).

"**Charterers' Earnings Account**" means the US Dollar account in the name of the Charterers opened or to be opened with the Account Bank, and includes any sub-account thereof and such account which is designated by the Owners as the earnings account for the purposes of this Charter.

"**Classification Society**" means the vessel classification society referred to in Box 4 (*Classification Society*) of this Charter, or such other reputable classification society which (a) is a member of the International Association of Classification Societies, or (b) the Owners may otherwise approve from time to time.

"**Collateral Charter**" means in respect of a Collateral Vessel, the bareboat charter agreement for that Collateral Vessel entered or to be entered into between the Collateral Owners as owners and the Collateral Charterers as charterers.

"**Collateral Charterers**" means in respect of a Collateral Vessel, the party listed alongside the name of that Collateral Vessel under the column "Collateral Charterers" in the table set out in the definition of "Collateral Vessels".

"**Collateral Owners**" means in respect of a Collateral Vessel, the party listed alongside the name of that Collateral Vessel under the column "Collateral Owners" in the table set out in the definition of "Collateral Vessels".

"**Collateral Vessels**" means the vessels set out below:

Collateral Vessel	Collateral Owners	Collateral Charterers
Vessel with Builder's hull no. CHB2026	海津九号(天津)租赁有限公司 (Haijin No. 9 (Tianjin) Leasing Co., Limited)	Meganisi Shipping Corporation
Vessel with Builder's hull no. S-1646	海津十号(天津)租赁有限公司 (Haijin No. 10 (Tianjin) Leasing Co., Limited)	Despotiko Shipping Corporation
Vessel with Builder's hull no. S-1648	海津十一号(天津)租赁有限公司 (Haijin No. 11 (Tianjin) Leasing Co., Limited)	Nisyros Shipping Corporation

"**Compliance Certificate**" means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate)*.

"**Cost Balance**" means, at any relevant time during the Charter Period, an amount equal to the MOA Purchase Price as may be reduced by payment of any Fixed Hire pursuant to Clause 47.1.1 (*Hire*) and/or the Balloon Amount.

"**Creditor Parties**" means the Owners and the Collateral Owners.

"**Daily Simple SOFR**" means, for any day, a rate per annum equal to SOFR for the day that is five US Government Securities Business Days prior to:

(a) if such day is a US Government Securities Business Day, that day; or

(b) if such day is not a US Government Securities Business Day, the US Government Securities Business Day immediately preceding such day.

"**Default Termination**" means a termination of the Charter Period pursuant to the provisions of Clause 59 (*Termination Events*).

"**Default Termination Amount**" means an amount representing the Owners' losses as a result of the early termination of this Charter (other than in accordance with Clause 62.2 (*Early Termination – Illegality of Owners*), Clause 63.1 (*Total Loss*) or as a result of an Early Termination in accordance with Clause 62.1 (*Early Termination – Charterers' purchase option)*) prior to the expiry of the Charter Period, which the Parties acknowledge is a genuine and reasonable pre-estimate of the Owners' losses in the event of such termination and shall consist of the following:

(a) all Hire due and payable, but unpaid, under this Charter up to (and including) the relevant Termination Payment Date together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof to the date of actual payment;

(b) an amount equal to the then current Cost Balance;

(c) an amount equal to two per cent. (2%) of the Cost Balance relative to the Termination Payment Date in respect of such Default Termination;

(d) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof up to the date of actual payment;

(e) all liabilities, costs and expenses so incurred in recovering possession of, and in repositioning, berthing, insuring and maintaining the Vessel for carrying out any works or modifications required to cause the Vessel to conform with the provisions of Clauses 49 (*Redelivery*) and 50 (*Redelivery conditions*) necessarily incurred by reason of the failure of the Charterers to perform any such action, if applicable;

(f) any other sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 22 (*Indemnity*) and Clause 67 (*Further indemnities*); and

(g) the Break Costs (if any).

"**Delegate**" means any delegate, agent, attorney or Receiver appointed by a Creditor Party.

"**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 order for the transactions contemplated by the Transaction 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 Transaction Documents; or

(ii) from communicating with other Parties in accordance with the terms of the Transaction Documents,

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

"**Early Termination**" means a Termination in accordance with Clause 62.1 (*Early Termination – Charterers' purchase option*) or Clause 62.2 (Early Termination – Illegality of Owners).

"**Early Termination Amount**" means an amount representing the Owners' losses as a result of the early termination of this Charter in accordance with Clause 62.2 (*Early Termination – Illegality of Owners*) or pursuant to the provisions of Clause 63.1 (Total Loss) prior to the expiry of the Charter Period, which the Parties acknowledge is a genuine and reasonable pre-estimate of the Owners' losses in the event of such termination and shall consist of the following:

(a) all Hire due and payable, but unpaid, under this Charter up to (and including) the relevant Termination Payment Date together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof to the date of actual payment;

(b) an amount equal to the then current Cost Balance;

(c) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof up to the date of actual payment;

(d) in respect of any early termination of this Charter in accordance with Clause 62.2 (*Early Termination – Illegality of Owners*) all liabilities, costs and expenses so incurred in recovering possession of, and in repositioning, berthing, insuring and maintaining the Vessel for carrying out any works or modifications required to cause the Vessel to conform with the provisions of Clauses 49 (*Redelivery*) and 50 (*Redelivery conditions*) necessarily incurred by reason of the failure of the Charterers to perform any such action, if applicable;

(e) any other sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 22 (*Indemnity*) and Clause 67 (*Further indemnities*); and

(f) the Break Costs (if any).

"**Earnings**" means all hires, freights, passage money, pool income and other sums payable in respect of the Vessel including (without limitation) all earnings received or to be received from a Sub-Charter and the Sub-Time Charter, all remuneration for salvage and towage services, demurrage and detention moneys, contributions in general average, compensation in respect of any requisition for hire, and damages and other payments (whether awarded by any court or arbitral tribunal or by agreement or otherwise) for breach, termination or variation of any contract for the operation, employment or use of the Vessel.

"**Earnings Accounts**" means the Charterers' Earnings Account and the Sellers' Earnings Account and "**Earnings Account**" means any one of them.

"**Encumbrance**" means a mortgage, charge, assignment, pledge, lien, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Environmental Approvals**" means any present or future permit, licence, approval, ruling, variance, exemption or other Authorisation required under the applicable Environmental Law.

"**Environmental Claim**" means any claim, proceeding or investigation by any person in respect of any Environmental Law, and for this purpose, "claim" includes but is not limited to:

(a) a claim for damages, compensation, contribution, injury, fines, losses and penalties or any other payment of any kind, including in relation to clean-up and removal, whether or not similar to the foregoing;

(b) an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and

(c) any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"**Environmental Incident**" means:

(a) any release, emission, spill or discharge from the Vessel or into or upon the air, sea, land or soils (including the seabed) or surface water of Environmentally Sensitive Material within or from the Vessel; or

(b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water from a vessel other than the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually liable to be arrested, attached, detained or injuncted and/or the Vessel and/or any Obligor and/or any Approved Manager and/or any operator or manager of the Vessel is at fault at fault or otherwise liable to any legal or administrative action; or

(c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, sea, land or soils (including the seabed) or surface water otherwise than from the Vessel and in connection with which the Vessel is actually liable to be arrested and/or where any Obligor and/or any Approved Manager and/or any operator or manager of the Vessel is at fault at fault or otherwise liable to any legal or administrative action, other than in accordance with an Environmental Approval.

"**Environmental Law**" means any applicable law and regulation in any applicable jurisdiction in which any Obligor conducts business which relates to the pollution or protection of the environment or harm to or the protection of human health or the health of animals or plants.

"**Environmentally Sensitive Material**" means (i) oil and oil products and (ii) any other waste, pollutant, contaminant or other substance (including any liquid, solid, gas, ion, living organism, noise or other hazardous or noxious substance) that is polluting, toxic or hazardous.

"**FATCA Deduction**" has the meaning given to such term in Clause 84 (*FATCA*).

"**FATCA Exempt Party**" has the meaning given to such term in Clause 84 (*FATCA*).

"**Finance Document**" means any facility agreement, security document, fee letter and any other document designated as such by any Finance Party and the Owners and which have been or (as the case may be) may be entered into between the Finance Parties and the Owners for the purpose of or in connection with the financing of all or any part of the MOA Purchase Price.

"**Finance Party**" means:

(a) any Affiliate of the Owners; or

(b) bank, financial institution, trust, fund, leasing company or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets,

which is or will be party to a Finance Document (other than the Owners and other entities which may have agreed or be intended as debtors and/or obligors thereunder) and "Finance Parties" means two (2) or more of them.

"**Financial Half-Year**" means, in respect of the Charterers and the Charter Guarantor, their interim semi-annual accounting period ending on 30 June in any calendar year that falls within the Charter Period.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or hire purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

"**Financial Year**" means, in respect of the Charterers and the Charter Guarantor, their annual accounting period ending on 31 December in each calendar year during the Charter Period.

"**Fixed Hire**" has the meaning given to such term 47.1.1 (*Hire*).

"**GAAP**" means generally accepted accounting principles in the United States of America.

"**Government Authority**" means any governmental or other regulatory body.

"**Group**" means the Charter Guarantor and its Subsidiaries from time to time.

"**Hire**" means each or any combination or aggregate of (as the context may require):

(a) the Fixed Hire;

(b) the Variable Hire; and

(c) the Balloon Amount.

"**Hire Payment Date**" means the last day of each and any Hire Period.

"**Hire Period**" means, for each and every consecutive three (3) month period during the Charter Period commencing immediately after each Quarter End Date, provided that:

(a) the first Hire Period shall commence from the Actual Delivery Date and end on the immediately following Quarter End Date, except that (if the immediately following Quarter End Date falls within 45 days from the Actual Delivery Date) then the first Hire Period shall end on the next Quarter End Date; and

(b) if a Hire Period would otherwise extend beyond the expiration of the Charter Period, then such Hire Period shall terminate on the expiration of the Charter Period, and, in relation to an Unpaid Sum, each period determined in accordance with Clause 47.8 (*Default interest*).

"**Historic Term SOFR**" means, in relation to any Hire Period, the most recent applicable Term SOFR for a period equal in length to that Hire Period and which is as of a day which is no more than three (3) US Government Securities Business Days before the Term SOFR Quotation Day.

"**Holding Company**" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"**Indirect Tax**" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"**Initial Sub-Charter**" means the time charterparty in respect of the Vessel dated 27 January 2022 (as novated under a deed of novation dated 31 March 2022 entered into between Feedertech Pte Ltd, the Initial Sub-Charterers, the Initial Sub-Charter Guarantor and the Charterers (the "**Initial Sub-Charter Novation**")) and entered into between (i) the Charterers (as owners) and (ii) the Initial Sub-Charterers (as charterers) and (iii) the Initial Sub-Charter Guarantor as guarantor in respect of the Vessel.

"**Initial Sub-Charter Guarantor**" means Unifeeder A/S, a company incorporated in Denmark, having its registered office at Tangen 6, 8200 Aarhus N, Denmark.

"**Initial Sub-Charter Guarantee**" means the performance guarantee in respect of the Initial Sub-Charter as contained in the Initial Sub-Charter Novation and provided by the Initial Sub-Charter Guarantor in favour of the Charterers.

"**Initial Sub-Charterers**" means Unifeeder FCZO, a company incorporated under the laws of the United Arab Emirates, having its registered office at Plot No. S20119, P.O. Box 2618844, Jebel Ali, Dubai, United Arab Emirates.

"**Innocent Owners' Interest Insurances**" means all policies and contracts of innocent owners' interest insurance and innocent owners' additional perils (oil pollution) from time to time taken out by the Owners in relation to the Vessel.

"**Insurances**" means all policies and contracts of insurance (including all entries in protection and indemnity or war risks associations) which are from time to time taken out or entered into in respect of or in connection with the Vessel or her increased value or her Earnings and (where the context permits) all benefits under such contracts and policies, including all claims of any nature and returns of premium.

"**Interpolated Term SOFR**" means, in relation to any Hire Period, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(a) either:

(i) the applicable Term SOFR (as of the Term SOFR Quotation Day) for the longest period (for which Term SOFR is available) which is less than the relevant Hire Period; or

(ii) if no such Term SOFR is available for a period which is less than the relevant Hire Period, SOFR for the day which is two US Government Securities Business Days before the Term SOFR Quotation Day; and

(b) the applicable Term SOFR (as of the Term SOFR Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the relevant Hire Period.

"**ISM Code**" means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation Assembly as Resolutions A.741 (18) (as amended by MSC 104 (73)) and A.913(22) (superseding Resolution A.788 (19)), as the same may be amended, supplemented or superseded 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).

"**ISM Company**" means, at any given time, the company responsible for the Vessel's compliance with the ISM Code under paragraph 1.1.2 of the ISM Code.

"**ISPS Code**" means the International Ship and Port Facility Security Code adopted by the International Maritime Organisation (as the same may be amended, supplemented or superseded from time to time).

"**ISPS Company**" means, at any given time, the company responsible for the Vessel's compliance with the ISPS Code.

"**ISSC**" means a valid international ship security certificate for the Vessel issued under the ISPS Code.

"**Long Stop Date**" has the meaning ascribed to it in the MOA.

"**Major Casualty Amount**" means one million US Dollars (US$1,000,000) or the equivalent in any other currency or currencies.

"**Management Agreement**" means, in relation to the Vessel:

(a) the management agreement dated 16 November 2007 made between the Charter Guarantor and NSM (as the same may be further supplemented, amended or novated from time to time); or

(b) such other management agreement to be executed between such other Approved Managers (as technical and commercial managers) and the Charterers or the Charter Guarantor (as disponent owners).

"**Managers' Undertaking**" means the deed of confirmation executed or to be executed by the Approved Managers in favour of the Owners in a form acceptable to the Owners.

"**Margin**" means two point zero per cent (2.0%) per annum.

"**Market Disruption Rate**" means the percentage rate per annum which is the Reference Rate.

"**Market Value**" means the market value of the Vessel as ascertained in accordance with Clause 55.34 (*Valuation Report*).

"**MARPOL**" means the International Convention for the Prevention of Pollution from Ships adopted by the International Maritime Organisation (as the same may be amended, supplemented or superseded from time to time).

"**Material Adverse Effect**" means in the reasonable opinion of the Owners a material adverse effect on:

(a) the business, operations, property, condition (financial or otherwise) or prospects of any of the Charterers, the Collateral Charterers and the Charter Guarantor taken as a whole; or

(b) the ability of any Obligor to perform its obligations under any Transaction Document to which it is a party; or

(c) the validity or enforceability of, or the effectiveness or ranking of any Encumbrance granted or purporting to be granted pursuant to any of, the Transaction Documents or the rights or remedies of the Owners under any of the Transaction Documents.

"**MOA**" means the memorandum of agreement on or about the date of this Charter made between the Owners (as buyers) and the Sellers (as sellers) pursuant to which the Owners have agreed to purchase, and the Sellers have agreed to sell the Vessel subject to the terms and conditions therein.

"**MOA Purchase Price**" has the meaning ascribed to it in the MOA.

"**MOA Termination Event**" has the meaning ascribed to it in the MOA.

"**Mortgagees' Interest Insurances**" means all policies and contracts of mortgagees' interest insurance, mortgagees' additional perils (oil pollution) insurance and any other insurance from time to time taken out by any Finance Party or as in accordance with any request of any Finance Party in relation to the Vessel.

"**Necessary Authorisations**" means all Authorisations of any person including any government or other regulatory authority required by applicable law to enable it to:

(a) lawfully enter into and perform its obligations under the Transaction Documents to which it is party;

(b) ensure the legality, validity, enforceability or admissibility in evidence in England and, if different, its jurisdiction of incorporation, of such Transaction Documents to which it is party;

(c) carry on its business from time to time; and

(d) perfect any Encumbrance created by the Security Documents.

"**Net Sale Proceeds**" means the proceeds of a sale of the Vessel received or receivable, net of any fees, commissions, costs, disbursements or other expenses incurred by the Owners or the Charterers (as applicable) as a result of the Owners or the Charterers arranging the proposed sale.

"**Obligor Parties**" means the Obligors, any Approved Manager and the Collateral Charterers.

"**Obligors**" means, together:

(a) the Sellers;

(b) the Charterers;

(c) the Charter Guarantor; and

(d) any person that may be party to a Transaction Document from time to time (other than (i) the Owners, (ii) the Collateral Owners, (iii) the Approved Manager and (iv) the Account Bank),

and "**Obligor**" means any one of them.

"**Party**" means a party to this Charter.

"**PDA**" means the protocol of delivery and acceptance in relation to the Vessel to be executed between the Owners and the Charterers, substantially in the form of Schedule 1 (*Form of Protocol of Delivery and Acceptance*) hereto.

"**Permitted Disposal**" means any sale, lease, licence, transfer or other disposal:

(a) of assets in exchange for other assets comparable or superior as to type, value and quality (other than an exchange of a non-cash asset for cash);

(b) of obsolete or redundant equipment for cash; and

(c) arising as a result of any Permitted Encumbrance.

"**Permitted Encumbrance**" means:

(a) any Encumbrance created or to be created in accordance with the Security Documents;

(b) any liens securing obligations in an amount of not more than one million US Dollars (US$1,000,000) incurred in the ordinary course of trading and/or operating the Vessel and not more than thirty (30) days overdue;

(c) any Encumbrance created or to be created by the Owners in favour of the Finance Parties in accordance with the relevant Finance Documents;

(d) any Encumbrance which has the prior written approval of the Owners;

(e) liens for unpaid master's and crew's wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice and are discharged within thirty (30) days;

(f) liens for salvage;

(g) liens for master's disbursements incurred in the ordinary course of trading and are discharged within thirty (30) days;

(h) any Encumbrance arising by operation of law in respect of taxes which are not overdue or for payment of taxes which are overdue for payment but which are being contested by the Charterers in good faith by appropriate steps and in respect of which adequate reserves have been made; and

(i) any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of any Vessel, (i) not as a result of any default or omission by Charterers; and (ii) not being enforced through arrest that is discharged within thirty (30) days.

"**Permitted Holder**" means each of:

(a) Angeliki Frangou;

(b) each of Angeliki Frangou's spouse, siblings, ancestors, descendants (whether by blood, marriage, adoption and including stepchildren) and the spouses, siblings, ancestors and descendants thereof (whether by blood, marriage or adoption, and including stepchildren) of such natural persons, the beneficiaries, estates and legal representatives of any of the foregoing, the trustee of any bona fide trust of which any of the foregoing, individually or in the aggregate, are the majority in interest beneficiaries or grantors, and any corporation, partnership, limited liability company or other person in which any of the foregoing, individually or in the aggregate, own or control a majority in interest;

(c) Navios Maritime Holdings Inc.; and

(d) all Affiliates controlled by the Persons named in paragraphs (a) and (b) above. "**Permitted Parties**" means any of the Owners' Affiliates and all Bank Members.

"**Potential Termination Event**" means a Termination Event or any event or circumstance which would (with the expiry of a grace period or the giving of notice) be a Termination Event.

"**Pre-Approved Flag**" means the Republic of Liberia, the Republic of Panama, Marshall Islands, Cyprus, Malta or such other ship registry or flag acceptable to the Owners (acting reasonably).

"**Prohibited Person**" means any person (whether designated by name or by reason of being included in a class of persons) against whom Sanctions are directed, including without limitation as a result of being either:

(a) owned or controlled directly or indirectly by any person which is a designated target of Sanctions; or

(b) organised under the laws of, or a citizen or resident of, any Restricted Country,

or otherwise a target of Sanctions.

"**Project Documents**" means, together, the Transaction Documents, the Building Contract, any Sub-Charter and any Sub-Charter Guarantee.

"**Project Party**" means each of the Builder, any Sub-Charterers and any Sub-Charter Guarantor and "**Project Parties**" means any two (2) or more of them.

"**Published Rate**" means Term SOFR for three (3) months.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

(a) the methodology, formula or other means of determining the Published Rate has, in the opinion of the Owners and the Charterers, materially changed; or

(b) any of the following applies:

(i) either:

(A) the administrator of that Published 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 Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued;

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or

(c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published 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 events leading to such determination are not (in the opinion of the Owners and the Charterers) temporary; or

(ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than three months or such other period that the parties may specify; or

(d) in the opinion of the Owners and the Charterers, that Published Rate is otherwise no longer appropriate for the purposes of calculating the Variable Hire under this Charter.

"**Purchase Obligation Price**" means the amount due and payable by the Charterers to the Owners pursuant to Clause 62.3 (*Purchase obligation*), being the aggregate of:

(a) the Balloon Amount;

(b) all Unpaid Sums due and payable together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof up to the date of actual payment;

(c) any other sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 22 (*Indemnity*) and Clause 67 (*Further indemnities*); and

(d) Break Costs (if any).

"**Purchase Option Date**" means a Business Day which falls on or after the Actual Delivery Date or such other date as the Owners may in their sole discretion agree.

"**Purchase Option Fee**" means an amount that is calculated by multiplying (a) the then current Cost Balance by (b) the applicable percentage corresponding to the relevant period in which the Purchase Option Date falls as set out below:

Period	Percentage
Actual Delivery Date to 3rd anniversary of the Actual Delivery Date (inclusive)	1%
3rd anniversary of the Actual Delivery Date (exclusive) to 5 th anniversary of the Actual Delivery Date (inclusive)	0.5%
5th anniversary (exclusive) of the Actual Delivery Date onwards	0%

"**Purchase Option Price**" means an amount representing the Owners' losses as a result of an Early Termination in accordance with Clause 62.1 (*Early Termination – Charterers' purchase option*), which the Parties acknowledge is a genuine and reasonable pre-estimate of the Owners' losses in the event of such termination and shall consist of the following:

(a) all Hire due and payable, but unpaid, under this Charter up to (and including) the relevant Termination Payment Date together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof to the date of actual payment;

(b) an amount equal to the then current Cost Balance;

(c) the applicable Purchase Option Fee;

(d) any other Unpaid Sums due and payable together with interest accrued thereon pursuant to Clause 47.8 (*Default interest*) from the due date for payment thereof up to the date of actual payment;

(e) any other sums as the Owners may be entitled to under the terms of this Charter, including (but not limited to) any payments referred to in Clause 22 (*Indemnity*) and Clause 67 (*Further indemnities*); and

(f) the Break Costs (if any).

"**Quarter End Date**" means any of the following dates in a calendar year:

(a) 15 January;

(b) 15 April;

(c) 15 July; and

(d) 15 October.

"**Reference Rate**" means, in relation to a Hire Period:

(a) the applicable Term SOFR as of the Term SOFR Quotation Day and for a period equal in length to the Hire Period of that Variable Hire; or

(b) as otherwise determined pursuant to Clause 47.14 (*Unavailability of Term SOFR*),

and if, in either case, the rate is less than zero, the Reference Rate shall be deemed to be zero.

"**Relevant Market**" means the market for overnight cash borrowing collateralised by US Government securities.

"**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.

"**Repeating Representations**" means the representations and warranties referred to in Clause 54 (*Charterers' representations and warranties*).

"**Replacement Reference Rate**" means a Reference Rate which is:

(a) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by that Published 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 Reference Rate" will be the replacement under paragraph (ii) above;

(b) in the opinion of the Owners and the Charterers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to that Published Rate; or

(c) in the opinion of the Owners and the Charterers, an appropriate successor or alternative to a Published Rate.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Trust Property.

"**Requisition Compensation**" means all compensation or other money which may from time to time be payable to the Charterers as a result of the Vessel being requisitioned for title or in any other way compulsorily acquired (other than by way of requisition for hire).

"**Restricted Country**" means any country or territory that is the subject of comprehensive, country-wide or territory-wide (as applicable) Sanctions that prohibit dealings with that country or that territory (as applicable).

"**Sanctions**" means any sanctions, embargoes, freezing provisions, prohibitions or other restrictions relating to trading, doing business, investment, exporting, financing or making assets available (or other activities similar to or connected with any of the foregoing):

(a) imposed by law or regulation of the Republic of the Marshall Islands, the United Kingdom, the Council of the European Union, the People's Republic of China, the United Nations or its Security Council, the United States of America, the Pre-approved Flag of the Vessel, the jurisdiction of incorporation of the Owners and the Charterers or any government official institution or agency of any of the foregoing, whether or not any Obligor is legally bound to comply with the foregoing; or

(b) otherwise imposed by law or regulation by which any Obligor is bound or as regards a regulation, compliance with which is reasonable in the ordinary course of the Charterers' business.

"**Secured Obligations**" means all of the liabilities and obligations of the Obligor Parties to the Creditor Parties under or pursuant to the Transaction Documents, whether actual or contingent, present or future, and whether incurred alone or jointly or jointly and severally and in whatever currency, including (without limitation) interest, commission and all other charges and expenses.

"**Security Assets**" means all of the assets of the Obligors or any Approved Manager which from time to time are, or are expressed to be, the subject of the Encumbrances created or evidenced or expressed to be created or evidenced under the Security Documents.

"**Security Documents**" means the following:

(a) the Assignment of Warranty;

(b) the Account Pledges;

(c) the Share Pledge;

(d) the Charter Guarantee;

(e) the Time Charter Assignment;

(f) the Charterers' Assignment;

(g) any Manager's Undertaking; and

(h) any other document that may at any time be executed by any person creating, evidencing or perfecting any Encumbrance to secure all or part of the Obligors' or any Approved Managers' obligations under or in connection with the Transaction Documents,

and "**Security Document**" means any one of them.

"**Sellers**" means Thalia Shipping Corporation, a corporation incorporated under the laws of the Republic of the Marshall Islands with registration number 111803 whose registered address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Republic of the Marshall Islands MH96960.

"**Sellers' Account Pledge**" means the account pledge or charge over the Sellers' Earnings Account and all amounts from time to time standing to the credit to the Sellers' Earnings Account from the Sellers in favour of the Owners.

"**Sellers' Earnings Account**" means the US Dollar account in the name of the Sellers opened or to be opened with the Account Bank, and includes any sub-account thereof and such account which is designated by the Owners as the earnings account for the purposes of the Sub-Time Charter.

"**Settlement Date**" means:

(a) following a Total Loss falling under paragraph (a) of the definition of "Total Loss", the earlier of:

(i) ninety (90) days after the date of occurrence of such Total Loss or, if such date is not a Business Day, the immediately preceding Business Day; and

(ii) the date on which the Owners receive the Total Loss Proceeds in respect of the Total Loss;

(b) following a Total Loss falling under paragraph (b) of the definition of "Total Loss", the earlier of:

(i) the expiry of the sixty (60) day period referred to in that paragraph; and

(ii) the date on which the Owners receive the Total Loss Proceeds in respect of the Total Loss; and

(c) following a Total Loss falling under paragraph (c) of the definition of "Total Loss", the earlier of:

(i) sixty (60) days after the date of occurrence of such Total Loss or, if such date is not a Business Day, the immediately preceding Business Day; and

(ii) the date on which the Owners receive the Total Loss Proceeds in respect of the Total Loss

"**Share Pledge**" means the pledge agreement in relation to the entire issued share capital of the Charterers executed (or as the case may be) to be executed by the Sellers in favour of the Owners.

"**SMC**" means a valid safety management certificate issued for the Vessel by or on behalf of the Administration under paragraph 13.7 of the ISM Code.

"**SOFR**" means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"**SOLAS**" means the International Convention for the Safety of Life at Sea 1974.

"**Sub-Charter**" means:

(a) the Initial Sub-Charter; and

(b) any other charterparty in respect of the Vessel entered into between the Sellers (as disponent owners) and any Sub-Charterers which may have a duration of eighteen (18) months or more (taking into account any option to renew or extend).

"**Sub-Charter Guarantee**" means:

(a) the Initial Sub-Charter Guarantee; and

(b) any guarantee provided by a Sub-Charter Guarantor in favour of the Charterers in respect of the relevant Sub-Charterers' obligations under the relevant Sub-Charter.

"**Sub-Charter Guarantor**" means any sub-charter guarantor in connection with a Sub-Charter which are or will be a party to a Sub-Charter Guarantee.

"**Sub-Charterers**" means:

(a) the Initial Sub-Charterers; and

(b) such other sub-charterers which are or will be parties to a Sub-Charter (other than the Charterers).

"**Sub-Time Charter**" means the time charterparty in respect of the Vessel executed (or as the case may be) to be executed by the Charterers (as disponent owners) and the Sellers (as sub-charterers), on back-to-back terms with the Initial Sub-Charter, and a form acceptable to the Owners.

"**Sub-Time Charter Termination Event**" means any event, state of affairs, condition or act set out in the Sub-Time Charter or otherwise entitling any party to terminate, cancel or suspend the Sub-Time Charter under the terms thereof or at law.

"**Subsidiary**" means that 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; and

(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.

"**Tax**" or "**tax**" means any present and future tax (including, without limitation, value added tax, consumption tax or any other tax in respect of added value or any income, tonnage, freight, stamp), levy, impost, duty, fee, or other charge or withholding of any nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and "Taxes", "taxes", "Taxation" and "taxation" shall be construed accordingly.

"**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Transaction Document, other than a FATCA Deduction.

"**Term SOFR**" means the Term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"**Term SOFR Quotation Day**" means, in relation to any period for which an interest rate is to be determined in respect of a Hire Period, two US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loan market, in which case the Term SOFR Quotation Day will be determined by the Owners in accordance with that market practice (and if quotations would normally be given on more than one day, the Term SOFR Quotation Day will be the last of those days))).

"**Termination**" means the termination at any time of the chartering of the Vessel under this Charter.

"**Termination Event**" means each of the events specified in Clause 59.1 (*Termination Events*).

"**Termination Notice**" has the meaning given to such term in (as the context may require):

(a) as the context may require, Clause 59.3 (*Owners' options after occurrence of a Termination Event*);

(b) Clause 62.1 (*Early Termination – Charterers' purchase option*);

(c) Clause 62.2 (*Early Termination – Illegality of Owners*).

"**Termination Payment Date**" means, as the context may require:

(a) in respect of a Default Termination, the date specified in the Termination Notice served on the Charterers pursuant to Clause 59.3 (*Owners' options after occurrence of a Termination Event*) in respect of such Default Termination; or

(b) in respect of an Early Termination, the date specified in the Termination Notice served on the Owners pursuant to Clause 62.1 (*Early Termination – Charterers' purchase option*) or served on the Charterers pursuant to Clause 62.2 (*Early Termination – Illegality of Owners*) (as applicable) in respect of such Early Termination; or

(c) in respect of a Total Loss Termination, the Settlement Date in respect of the Total Loss which gives rise to such Total Loss Termination.

"**Third Parties Act**" means the Contracts (Rights of Third Parties) Act 1999.

"**Time Charter Assignment**" means a deed of assignment executed or to be executed (as the case may be) by the Sellers in favour of the Owners in relation to certain of the Sellers' rights and interest in and to (among other things) of the Initial Sub-Charter and Initial Sub-Charter Guarantee.

"**Title Re-transfer PDA**" means the protocol of delivery and acceptance in relation to the Vessel to be executed between the Owners and the Charterers, substantially in the form of Schedule 2 (*Form of Title Re-transfer Protocol of Delivery and Acceptance*) hereto.

"**Total Loss**" means during the Charter Period:

(a) the expropriation, confiscation, requisition or compulsory acquisition of the Vessel;

(b) the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture of the Vessel (not falling within paragraph (a) of this definition), unless the Vessel is released and returned to the possession of the Owners or the Charterers within sixty (60) days after the capture, seizure, arrest, detention, hijacking, theft, condemnation as prize, confiscation or forfeiture in question; or

(c) actual or constructive or compromised or agreed or arranged total loss,

and for the purpose of this Charter, (i) an actual Total Loss of the Vessel shall be deemed to have occurred at the date and time when the Vessel was lost but if the date of the loss is unknown the actual Total Loss shall be deemed to have occurred on the date on which the Vessel was last reported, (ii) a constructive Total Loss shall be deemed to have occurred at the date and time at which a notice of abandonment of the Vessel is given to the insurers of the Vessel and (iii) a compromised, agreed or arranged Total Loss shall be deemed to have occurred on the date of the relevant compromise, agreement or arrangement.

"**Total Loss Proceeds**" means the proceeds of the Insurances or any other compensation of any description in respect of a Total Loss unconditionally received and retained by or on behalf of the Owners in respect of a Total Loss.

"**Total Loss Termination**" means a termination of the Charter Period pursuant to the provisions of Clause 63.1 (*Total Loss*).

"**Transaction Documents**" means, together, this Charter, the MOA, the Security Documents, the Upfront Hire Letter, the Sub-Time Charter, the "Transaction Documents" (as defined under each Collateral Charter) and such other documents as maybe designated as such by the Owners and the Charterers from time to time and "**Transaction Document**" means any one of them.

"**Trust Property**" means all of the Creditor Parties' benefits arising under (including, without limitation, all proceeds of the enforcement of) each of the Security Documents (as defined in this Charter and the Collateral Charters).

"**Unpaid Sum**" means any sum due and payable but unpaid by any Obligor or any Approved Manager under the Transaction Documents.

"**Upfront Hire Letter**" means the upfront hire letter made or to be made between the Owners and the Charterers.

"**US Dollars**", "**United States Dollars**", "**Dollars**", "**USD**", "**US$**" and "**$**" each means available and freely transferable and convertible funds in lawful currency of the United States of America.

"**US Government Securities Business Day**" means a day other than:

(a) a Saturday or Sunday; and

(b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

"**US Tax Obligor**" means:

(a) an Obligor which is resident for tax purposes in the United States of America; or

(b) an Obligor some or all of whose payments under the Transaction Documents to which it is a party are from sources within the United States for US federal income tax purposes.

"**Valuation Report**" means, in relation to the Vessel, a valuation report of the Vessel:

(a) issued no more than thirty (30) days before the relevant date;

(b) addressed to the Owners from an Approved Valuer in US Dollars;

(c) with or without physical inspection of the Vessel (as the Owners may require); and

(d) on the basis of a charter-free sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and a willing buyer.

"**Variable Hire**" has the meaning given to such term 47.1.2 (*Hire*).

"**Vessel**" means the vessel with builder's hull number CHB2025 as more particularly described in Box 4 (*Vessel*) of this Charter including its equipment, machinery, boilers, fixtures and fittings.

40 Interpretations

40.1 In this Charter, unless the context otherwise requires, any reference to:

40.1.1 this Charter include the Schedules hereto and references to Clauses and Schedules are, unless otherwise specified, references to Clauses of and Schedules to this Charter and, in the case of a Schedule, to such Schedule as incorporated in this Charter as substituted from time to time;

40.1.2 any statutory or other legislative provision shall be construed as including any statutory or legislative modification or re-enactment thereof, or any substitution therefor;

40.1.3 the term "**Vessel**" includes any part of the Vessel;

40.1.4 the "**Owners**", the "**Collateral Owners**", the "**Charterers**", the "**Collateral Charterers**", the "**Builder**, the "**Initial Sub-Charterers**", any "**Approved Manager**" and any "**Obligor**", "**Project Party**", "**Sub-Charterers**", "**Sub-Charter Guarantor**" or any other person include any of their respective successors, permitted assignees and permitted transferees;

40.1.5 any agreement, instrument or document include such agreement, instrument or document as the same may from time to time be amended, modified, supplemented, novated or substituted;

40.1.6 "**control**" over a particular company means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(a) cast, or control the cast of, more than fifty per cent. (50%), of the maximum number of votes that might be cast at a general meeting of such company;

(b) appoint or remove all, or the majority of the directors or other equivalent officers of such company; or

(c) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;

40.1.7 the "**equivalent**" in one currency (the "**first currency**") as at any date of an amount in another currency (the "**second currency**") shall be construed as a reference to the amount of the first currency which could be purchased with such amount of the second currency at the spot rate of exchange quoted by the Owners at or about 11:00 a.m. two (2) business days (being a day other than a Saturday or Sunday on which banks and foreign exchange markets are generally open for business in Beijing) prior to such date for the purpose of the first currency with the second currency for delivery and value on such date;

40.1.8 "**hereof**", "**herein**" and "**hereunder**" and other words of similar import means this Charter as a whole (including the Schedules) and not any particular part hereof;

40.1.9 "**law**" includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, rule, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, request or requirement, or official or judicial interpretation of any of the foregoing, in each case having the force of law and, if not having the force of law, in respect of which compliance is generally customary;

40.1.10 "**month**" means, save as otherwise provided, a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last day in that calendar month;

40.1.11 the word "**person**" or "**persons**" or to words importing persons include, without limitation, any state, divisions of a state, government, individuals, partnerships, corporations, ventures, government agencies, committees, departments, authorities and other bodies, corporate or unincorporated, whether having distinct legal personality or not;

40.1.12 the "winding-up", "dissolution", "administration", "liquidation", "insolvency", "reorganisation", "readjustment of debt", "suspension of payments", "moratorium" or "bankruptcy" (and their derivatives and cognate expressions) of any person shall each be construed so as to include the others and any equivalent or analogous proceedings or event under the laws of any jurisdiction in which such person is incorporated or any jurisdiction in which such person carries on business;

40.1.13 "**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Club, 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 or 1/11/03), clause 8 of the Institute Time Clauses (Hull)(1/10/83) 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;

40.1.14 a "**regulation**" in the definition of "Sanctions" or in any provision in relation to Sanctions 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 of any regulatory, self-regulatory or other authority or organisation;

40.1.15 a Potential Termination Event (other than a Termination Event) is "continuing" if it has not been remedied or waived and a Termination Event is "continuing" if it has not been waived;

40.1.16 words denoting the plural number include the singular and vice versa;

40.1.17 the determination of the extent to which a rate is "**for a period equal in length**" to a Hire Period shall disregard any inconsistency arising from the last day of that Hire Period being determined pursuant to the terms of this Charter; and

40.1.18

(a) the Owners' "**cost of funds**" in relation to any Variable Hire is a reference to the average cost (determined either on an actual or a notional basis) which the Owners would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of the Cost Balance for a period equal in length to the Hire Period of that Variable Hire;

(b) a page or screen of an information service displaying a rate shall include:

(i) any replacement page of that information service which displays that rate; and

(ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,

and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Owners after consultation with the Charterers.

40.2 Headings are for the purpose of reference only, have no legal or other significance, and shall be ignored in the interpretation of this Charter.

40.3 A time of day (unless otherwise specified) is a reference to Beijing time.

40.4 Words and expressions having defined meanings in the MOA shall, except where otherwise defined herein, have the same meanings when used in this Charter.

41 MOA

41.1 The parties hereby agree that this Charter is subject to the effective transfer of ownership of the Vessel to the Owners pursuant to the MOA.

41.2 If:

41.2.1 the Vessel is not delivered by the Long Stop Date (or such later date as the Owners and Sellers may agree); or

41.2.2 the MOA is cancelled, terminated, rescinded or otherwise ceases to remain in full force and effect for any reason,

neither party shall be liable to the other for any claim arising out of this Charter and this Charter shall immediately terminate and be cancelled (with the exception of Clause 22 (*Indemnity*) and Clause 67 (*Further indemnities*)).

41.3 Notwithstanding any termination of this Charter under Clause 41.2, the Owners may retain all fees paid by the Charterers under the MOA including without limitation those payable under clause 10 (*Fees*) of the MOA and if such fees have been due and not been paid, the Charterers shall forthwith pay such fees to the Owners. Such payment shall not be construed as a penalty but shall represent an agreed estimate of the loss and damage suffered by the Owners in entering into this Charter and shall therefore be paid as compensation to the Owners.

42 Pre-delivery and delivery

42.1 Subject to Clauses 42.4 and 43 (*Conditions precedent and subsequent*), the Owners shall be deemed to have delivered and the Charterers shall be deemed to have taken delivery of the Vessel under this Charter immediately after (A) the Builder delivers the Vessel to the Sellers under the Building Contract; and (B) the Sellers deliver the Vessel to the Owners under the terms of the MOA. The Owners and the Charterers nevertheless agree to enter into and execute the PDA on the Actual Delivery Date. The Charterers hereby agree that the acceptance by the Sellers of the Vessel under the Building Contract and by the Owners of the Vessel under the MOA shall constitute deemed delivery of the Vessel to the Charterers under this Charter.

42.2 The Charterers shall in no circumstances be entitled to reject the Vessel under this Charter.

42.3 The Charterers shall be deemed to have accepted the Vessel on an "as is where is" basis on delivery under this Charter in exactly the same form and state as the Vessel is delivered by the Sellers to the Owners pursuant to the MOA with any faults, deficiencies and errors of description.

42.4 The Owners will only be obliged to charter the Vessel to the Charterers pursuant to this Charter if:

42.4.1 no Termination Event or Potential Termination Event is continuing on the Actual Delivery Date;

42.4.2 the Repeating Representations are true and correct on the Actual Delivery Date;

42.4.3 the Actual Delivery Date falls on or before the Long Stop Date (or such later date as may be agreed between the Owners (as buyers under the MOA) and the Sellers); and

42.4.4 the Builder has delivered the Vessel to the Sellers under the Building Contract and the Sellers have delivered the Vessel to the Owners under and subject to the terms of the MOA.

42.5 The Charterers shall, at their own expense, upon the delivery of the Vessel by the Sellers to the Owners and for the duration of the Charter Period, arrange for title to the Vessel to be registered in the name of the Owners.

42.6 The Charterers acknowledge and agree that the Owners (not being the manufacturer or original supplier of the Vessel) makes no representations or warranties in respect of the Vessel or any part thereof, and hereby waive all their rights in respect of any warranty or condition implied (whether statutory or otherwise) on the part of the Owners and all claims against the Owners howsoever the same might arise at any time in respect of the physical condition of the Vessel, or arising out of the construction, operation or performance of the Vessel and the chartering thereof under this Charter (including, without limitation, in respect of the seaworthiness or otherwise of the Vessel).

42.7 Without prejudice to the generality of Clause 42.6, the Owners shall be under no liability whatsoever, howsoever arising, in respect of the injury, death, loss, damage or delay of or to or in connection with the Vessel or any person or property whatsoever, whether on board the Vessel or elsewhere, and irrespective of whether such injury, death, loss, damage or delay shall arise from the unseaworthiness of the Vessel. For the purpose of this Clause 42.7, "delay" shall include delay to the Vessel (whether in respect of delivery under this Charter or thereafter and any other delay whatsoever).

42.8 On the Actual Delivery Date, the Owners and the Charterers shall sign an Assignment of Warranty in respect of the warranty of quality of the Vessel under the Building Contract ("**Builder's Warranty**"), whereby the Charterers shall assign all their rights, title, and interest in the Builder's Warranty to the Owners.

43 Conditions precedent and subsequent

The obligations of the Owners to charter the Vessel to the Charterers under this Charter are subject to and conditional upon the Owners' receipt of the documents and evidence referred to in:

43.1 clause 7 (*Conditions precedent and subsequent*) (other than clause 7.3 (*Conditions subsequent*)) of the MOA on or before the Actual Delivery Date; and

43.2 clause 7.3 (*Conditions subsequent*) of the MOA within the time limit specified in that clause,

in form and substance satisfactory to them, unless the Owners (as buyers under the MOA) have waived in writing their right to require production of any such documents and evidence.

44 Bunkers and luboils

44.1 At delivery the Charterers shall take over all bunkers, lubricating oil, hydraulic oil, greases, water and unbroached stores and provisions in the Vessel (which remained the property of the Charterers (as sellers) under the MOA) without cost.

44.2 To the extent that Clause 49 (*Redelivery*) applies, at redelivery the Owners shall take over all bunkers, unused lubricating oil, hydraulic oil, greases, water and unbroached provisions and other consumable stores in the said Vessel at the Charterers' cost.

45 Further maintenance and operation

45.1 The good commercial maintenance practice under Clause 13 (*Maintenance and Operation*) (Part II) of this Charter shall be deemed to include:

45.1.1 the maintenance and operation of the Vessel by the Charterers in accordance with:

(a) the relevant regulations and requirements of the Classification Society;

(b) the relevant regulations and requirements of the country and flag of the Vessel's registry;

(c) any applicable IMO regulations (including but not limited to the ISM Code, the ISPS Code and MARPOL);

(d) all other regulations and requirements of any international, national state or local government applicable to the Vessel; and

(e) the operations and maintenance manuals of the Charterers or of the relevant Sub-Charterers; and

45.1.2 the maintenance and operation of the Vessel by the Charterers taking into account:

(a) engine manufacturers' recommended maintenance and service schedules;

(b) vendor's operations and maintenance manuals; and

(c) the Charterers' and/or the Approved Manager's experience in operating vessels of similar calibre as the Vessel.

45.2 In addition to the above, the Charterers covenant with the Owners to arrange online access to class records for the Owners as available to the Charterers.

45.3 The title to any equipment (or part thereof):

45.3.1 placed on board as a result of operational requirements of the Charterers shall automatically be deemed to belong to the Owners (unless hired from a third party) immediately upon such placement, and such equipment may only be removed with the Owners' prior written consent and at the Charterers' own expense (and when seeking consent the Charterers shall provide the Owners with evidence satisfactory to the Owners that the removal may be carried out without damage to the Vessel); and

45.3.2 replaced, renewed or substituted shall remain with the Owners until the part or equipment which replaced it or the new or substitute part or equipment becomes property of the Owners.

45.4 Without prejudice to any other provisions under this Charter, the Charterers shall maintain, use and operate the Vessel with reasonable care as if the Charterers were the owner of the same.

46 Structural changes and alterations

46.1 Upon the occurrence of:

46.1.1 any Termination Event which is continuing, if the Owners decide to retake possession of the Vessel pursuant to Clause 59 (*Termination Events*); or

46.1.2 an Early Termination pursuant to Clause 62.2 (*Early Termination – Illegality of Owners*) (if the Owners decide to retake possession of the Vessel pursuant to that Clause),

the Charterers shall at their expense restore the Vessel to its former condition unless the changes made are carried out:

46.1.3 to improve the performance, operation or marketability of the Vessel; or

46.1.4 as a result of a regulatory compliance.

46.2 The Charterers may, without obtaining the Owners' consent, make structural changes in the Vessel, changes in the machinery, engines, appurtenances or spare parts of the Vessel or remove parts from the Vessel **if and only if** such changes are required by the Classification Society or any applicable laws or regulation.

46.3 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 shall be undertaken by the Charterers at the Charterers' cost and the Charterers shall not have any right to recover from the Owners any part of the cost for such improvements, changes or new equipment either during the Charter Period or, to the extent that Clause 49 (*Redelivery*) applies, at redelivery of the Vessel.

47 Hire

47.1 **Hire during Charter Period** In consideration of the Owners' agreement to charter the Vessel to the Charterers pursuant to the terms hereof, the Charterers shall pay to the Owners,

47.1.1 on each Hire Payment Date throughout the Charter Period by way of fixed hire (each a "**Fixed Hire**") an amount equal to one-fortieth (1/40th) of the difference between the MOA Purchase Price and the Balloon Amount;

47.1.2 on each Hire Payment Date throughout the Charter Period by way of variable hire (each a "**Variable Hire**"), an amount calculated by multiplying (A) (in relation to the first Hire Payment Date) the MOA Purchase Price or (in relation to any other Hire Payment Date) the Cost Balance applicable to the date immediately prior to the Hire Payment Date by (B) the aggregate of the Margin and the Applicable Rate for the relevant Hire Period ending on that Hire Payment Date and (C) a fraction whose denominator is three hundred and sixty (360) and numerator is the number of days which will elapse from that Hire Payment Date (including that date) until, in respect of the Hire Payment Date of the final Hire Period during the Charter Period, the last day of such Hire Period (including that day), and, in respect of all other Hire Payment Dates, the next Hire Payment Date (not including that date); and

47.1.3 unless the Early Termination Amount, the Default Termination Amount or the Purchase Option Price (as the case may be) has been paid in full in accordance with the terms of this Charter, the Charterers shall pay to the Owners, on the final Hire Payment Date and in addition to any Fixed Hire and Variable Hire, an amount equal to the Balloon Amount.

47.2 **Accrual of Variable Hire** For the purpose of determining any Hire payment under 47.1 (*Hire during Charter Period*) above, Variable Hire shall accrue from and including the first (1st) day of the relevant Hire Period in accordance with paragraph 47.1 (*Hire during Charter Period*) above.

47.3 **Payment of Hire** Each payment of Hire (other than the Balloon Amount) shall be made in arrears on each Hire Payment Date (Beijing time) (in respect of which time is of the essence).

47.4 **Non-Business Day** Any payment provided herein due on any day which is not a Business Day shall be payable on the immediately preceding Business Day.

47.5 **Payment account information** All payments under this Charter shall be made to such account as the Owners may from time to time notify the Charterers in writing.

47.6 **Charterers' Hire payment obligation absolute** Following delivery of the Vessel to, and acceptance by, the Charterers under this Charter, the Charterers' obligation to pay Hire in accordance with this Clause 47 and any other amount under this Charter shall be absolute irrespective of any contingency whatsoever including but not limited to:

47.6.1 any set-off, condition, counterclaim, recoupment, defence or other whatsoever right the Charterers may have against the Owners, the Finance Parties or any other third party;

47.6.2 any unavailability of the Vessel, for any reason, including but not limited to capture, seizure, arrest or similar event of whatsoever nature in relation to the Vessel, seaworthiness, condition, design, operation, merchantability or fitness for use or purpose of the Vessel or any apparent or latent defects in the Vessel or its machinery and equipment or the ineligibility of the Vessel for any particular use or trade or for registration of documentation under the laws of any relevant jurisdiction or lack of registration or the absence or withdrawal of any consent required under the applicable law of any relevant jurisdiction for the ownership, chartering, use or operation of the Vessel or any damage to the Vessel;

47.6.3 any failure or delay on the part of either party to this Charter, whether with or without fault on its part, in performing or complying with any of the terms, conditions or other provisions of this Charter;

47.6.4 any insolvency, bankruptcy, reorganisation, arrangement, readjustment of debt, dissolution, administration, liquidation or similar proceedings by or against the Owners, any Obligor or any Approved Manager or any change in the constitution of the Owners, any Obligor or any Approved Manager;

47.6.5 any invalidity or unenforceability or lack of due authorisation of or any defect in this Charter;

47.6.6 any other cause which would but for this provision have the effect of terminating or in any way affecting the obligations of the Charterers hereunder or any Obligor or any Approved Manager under any Transaction Document,

it being the intention of the parties that the provisions of this Clause 47, and the obligation of the Charterers to pay Hire and make any payments under this Charter, shall survive any frustration and that, save as expressly provided in this Charter, no moneys paid under this Charter by the Charterers to the Owners shall in any event or circumstance be repayable to the Charterers.

47.7 **All payments free from deductions**

47.7.1 All payments of Hire and all Unpaid Sums to the Owners pursuant to this Charter and the other relevant Transaction Documents shall be made in immediately available funds in US Dollars, free and clear of, and without Tax Deduction.

47.7.2 In the event that the Charterers are required by any law or regulation to make any Tax Deduction on account of any taxes which arise as a consequence of any payment due under this Charter, then:

(a) the Charterers shall notify the Owners promptly after they become aware of such requirement;

(b) the Charterers shall remit the amount of such taxes to the appropriate taxation authority within seven (7) days or any other applicable shorter time limits and in any event prior to the date on which penalties attach thereto; and

(c) such payment shall be increased by such amount as may be necessary to ensure that the Owners receive a net amount which, after deducting or withholding such taxes, is equal to the full amount which the Owners would have received had such payment not been subject to such taxes.

47.7.3 The Charterers shall forward to the Owners evidence reasonably satisfactory to the Owners that any such taxes have been remitted to the appropriate taxation authority within thirty (30) days of the expiry of any time limit within which such taxes must be so remitted or, if earlier, the date on which such taxes are so remitted.

47.8 **Default interest** If the Charterers fail to pay any amount payable by it under a Transaction Document on its due date, interest shall accrue on a daily basis on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which is two per cent. (2%) per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted the Cost Balance (for the purpose of calculating Variable Hire) for successive Hire Periods. Any interest accruing under this Clause 47.8 shall be immediately payable by the Charterers on demand by the Owners. Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Hire Period applicable to that Unpaid Sum but will remain immediately due and payable.

47.9 **Hire payment obligation to survive termination** In the event that this Charter is terminated for whatever reason, the Charterers' obligation to pay Hire and such other Unpaid Sum which (in each case) has accrued due on or before the date of such termination, and which remains unpaid, at the date of such termination shall continue notwithstanding such termination.

47.10 **Increased Costs**

47.10.1 Subject to Clause 47.10.3, the Charterers shall, within three (3) Business Days of a demand by the Owners, pay to the Owners the amount of any Increased Costs incurred by the Owners as a result of (i) 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 Charter, or (ii) compliance with any law or regulation made after the date of this Charter, or (iii) the

implementation or application of or compliance with Basel III, CRR or CRD IV or any other law or regulation which implements Basel III, CRR or CRD IV (whether such implementation, application or compliance is by a government, regulator or the Owners) made after the date of this Charter.

In this Clause:

(a) "**Basel III**" means:

(i) 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;

(ii) 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

(iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(b) "**CRD IV**" means EU CRD IV and UK CRD IV.

(c) "**EU CRD IV**" means:

(i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012; and

(ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.

(d) "**UK CRD IV**" means:

(i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act;

(ii) the law of the United Kingdom or any part of it, which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC and its implementing measures; and

(iii) direct EU legislation (as defined in the 2018 Withdrawal Act), which immediately before IP Completion Day (as defined in the 2020 Withdrawal Act) implemented EU CRD IV as it forms part of domestic law of the United Kingdom by virtue of the 2018 Withdrawal Act.

(e) "**CRR**" means Regulation EU No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation EU No 648/2012, as amended, supplemented or restated.

(f) "**Increased Costs**" means:

(i) a reduction in the rate of return from the Hire or on the Owners' overall capital;

(ii) an additional or increased cost; or

(iii) a reduction of any amount due and payable under any Transaction Document,

which is incurred or suffered by the Owners to the extent that it is attributable to the Owners having entered into any Transaction Document or Finance Document or performing its obligations under any Transaction Document or Finance Document, including without limitation any which the Owners are obliged to pay to a Finance Party under a Finance Document.

47.10.2 The Owners shall notify the Charterers of any claim arising from Clause 47.10.1(a)(i) (and of the event giving rise to such claim). The Owners shall, as soon as practicable after having made a demand in respect of such claim, provide a certificate confirming the amount of its Increased Costs.

47.10.3 Clause 47.10.1(a)(i) does not apply to the extent any Increased Costs is:

(a) compensated for by a payment made under Clause 47.7.2(c); or

(b) attributable to a FATCA Deduction required to be made by either Party, an Obligor or a Finance Party (if applicable); or

(c) attributable to the wilful breach by the Owners of any law or regulation; or

(d) attributable to 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 Charter (but excluding any amendment arising out of Basel III) ("**Basel II**") or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator or the Owners).

47.11 **Break Costs** The Charterers shall, within three (3) Business Days of demand by the Owners, pay to the Owners their Break Costs (if any) attributable to all or any part of Variable Hire being paid by the Charterers on a day prior to the last day of a Hire Period for that Variable Hire.

47.12 **Effect of deferrals** If notwithstanding the provisions of Clause 47.6 (*Charterers' Hire payment obligation absolute*) the Charterers are permitted by order of a court to defer making payment of Hire:

47.12.1 the amount of each Hire payment due from the Charterers after the relevant deferral period shall be increased pro rata by the deferred amount; and

47.12.2 the deferred amount shall, for the purpose of calculating the Purchase Obligation Price, constitute an Unpaid Sum.

47.13 **Published Rate Replacement Event**

If a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver to the terms of the Transaction Documents which relates to:

47.13.1 providing for the use of a Replacement Reference Rate in place of (or in addition to) that Published Rate; and

47.13.2 enabling that Replacement Reference Rate to be used for the calculation of any Variable Hire or interest rates under this Charter (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Charter);

47.13.3 implementing market conventions applicable to that Replacement Reference Rate; or

47.13.4 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 Reference Rate (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 Owners and the Charterers (at the Charterers' cost), taking into consideration international standard market practices.

47.14 **Unavailability of Term SOFR**

If:

(A) Interpolated Term SOFR: no Term SOFR is available for a Hire Period, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to that Hire Period.

(B) Historic Term SOFR: no Term SOFR is available for a Hire Period and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for that Hire Period.

(C) Daily Simple SOFR: Clause 47.14(B) applies but no Historic Term SOFR is available for a Hire Period, the rate of interest used to calculate such Variable Hire for each day of the relevant Hire Period shall be equal to the percentage rate per annum which is the aggregate of:

(a) the Margin; and

(b) Daily Simple SOFR for that day,

and such interest shall be calculated based on the Cost Balance as of the applicable date of determination, provided that if the percentage rate per annum in aggregate under limbs (b) and (c) of this paragraph (C) is less than zero, than the rate shall be deemed to be zero.

(D) Cost of funds: paragraph (C) above applies but it is not possible to calculate the Daily Simple SOFR in accordance with that paragraph, paragraph 47.16 (*Cost of funds*) below shall apply to calculate that Variable Hire for that Hire Period.

47.15 **Market disruption**

If before close of business in Beijing on the Term SOFR Quotation Day for the relevant Hire Period, the Owners determine that its cost of funds would be in excess of the Market Disruption Rate then Clause 47.16 (*Cost of funds*) shall apply to calculate that Variable Hire for the relevant Hire Period provided always that this provision shall not apply when interest is being calculated in accordance with Clause 47.14(C) above.

47.16 **Cost of funds**

47.16.1 If this Clause 47.16 applies for any Hire Period, then 47.1.2 shall not apply to calculate that Variable Hire for that Hire Period and the rate of interest used to calculate that Variable Hire for the relevant Hire Period shall be the percentage rate per annum which is the sum of:

(a) the Margin; and

(b) the cost certified by the Owners (expressed as an annual rate of interest) of the cost to the Owners of funding the Cost Balance for that Hire Period (from whatever source as reasonably selected by the Owners).

47.16.2 If this Clause 47.16 (*Cost of Funds*) applies and the Owners or the Charterers so require, the Owners and the Charterers shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.

47.16.3 Subject to 47.13 (*Published Rate Replacement Event*), any substitute or alternative basis agreed pursuant to Clause 47.16.2 above shall be binding on all Parties.

47.16.4 If any rate notified to the Owners under Clause 47.16.1(b) (*Cost of Funds*) above is less than zero, the relevant rate shall be deemed to be zero.

47.16.5 If this Clause 47.16 (*Cost of Funds*) applies, the Owners shall, as soon as practicable, notify the Charterers.

47.17 **Remittance information**

47.17.1 The Charterers shall provide the Owners with details of the remittance bank from which payments from the Charterers are to be made under this Charter and shall procure that no change is made to such remittance bank during the Charter Period, unless the Charterers give the Owners written notice no later than five (5) Business Days before such change.

47.17.2 The Charterers shall provide the Owners with such remittance information for each payment as may be reasonably requested by the Owners.

48 Insurance

48.1 **Charterers' obligation to place insurance** During the Charter Period, the Charterers shall at their expense keep the Vessel insured against fire and usual marine risks (including hull and machinery and excess risks), oil pollution liability risks, war risks and protection and indemnity risks (and any risks against which it is compulsory to insure for the operation for the Vessel):

48.1.1 in US Dollars; and

48.1.2 in such market and on such terms as are customary for owners of similar tonnage.

Charterers shall keep such insurance valid throughout the whole Charter Period.

48.2 **Beneficiaries of Insurances** Such insurances shall be arranged by the Charterers to protect the interests of the Owners (including naming the Owners as assured/insured in the insurance covers), the Charterers and (if requested by the Owners or a Finance Party) the mortgagee of the Vessel or such other relevant Finance Party. The Charterers shall procure that the Owners are named as loss payee with such directions for payment as the Owners may specify. As the case may be the Charterers shall upon the request of the Owners procure that the mortgagee of the Vessel is named as loss payee with such directions for payment as the mortgagee may specify.

48.3 **Scope of insurance** Insurance policies shall cover the Owners, the Charterers and (if requested by the Owners or a Finance Party) the Finance Parties according to their respective interests. Subject to the approval of the Owners (acting on the instructions or with the approval of the Finance Parties (in each case if applicable)) 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, provided that the aforementioned approval from the Owners will not be required for (i) emergency repairs that are required to be carried out to enable the Charterers to continue to utilise the Vessel in accordance with this Charter, or (ii) any repair the aggregate costs of which is less than the Major Casualty Amount.

48.4 **Repairs etc. not covered by Insurances** The Charterers shall also 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.

48.5 **H&M and war risks coverage** The Charterers shall arrange that, at any time during the Charter Period, the hull and machinery and war risks insurance shall be in an amount not less than the greater of:

48.5.1 an amount which equals one hundred and twenty per cent. (120%) of the then current Cost Balance; and

48.5.2 the current Market Value of the Vessel.

48.6 **Protection and indemnity coverage** The Vessel shall be entered in a P&I Club which is a member of the International Group Association on customary terms and shall be covered against liability for pollution claims for the highest amount from time to time available in the international marine insurance market for vessels of a similar age, size and type to the Vessel and in any event in an amount not less than one billion US Dollars (US$1,000,000,000). All insurances shall include customary protection in favour of the Owners and (if any) the Finance Parties as notice of cancellation and exclusion from liability for premiums or calls.

48.7 **Named assureds, no alteration to terms of Insurances and insurance report** The Charterers:

48.7.1 undertake to place the Insurances in such markets, in such currency, on such terms and conditions, and with such brokers, underwriters and associations as are customary for owners of similar tonnage;

48.7.2 shall not alter the terms of any of the Insurances nor allow any person (other than those referred to in Clause 48.2 (*Beneficiaries of Insurances*)) to be co-assured under any of the Insurances without the prior written consent of the Owners, unless such co-assured person has assigned its rights under the Insurances in favour of the Owners or provided a co-assured undertaking, in each case in form and substance satisfactory to the Owners and, if applicable, the Finance Parties;

48.7.3 will supply the Owners from time to time on request with such information as the Owners and, if applicable, any Finance Party may in their discretion reasonably require with regard to the Insurances and the brokers, underwriters or associations through or with which the Insurances are placed; and

48.7.4 shall reimburse the Owners on demand for all costs and expenses incurred by the Owners in obtaining from time to time copy of a report on the adequacy of the Insurances from an insurance adviser instructed by the Owners, such report shall be issued:

(a) on or about the Actual Delivery Date; and

(b) thereafter, any additional reports as may be required by the Owners from time to time (including but not limited to any additional reports required pursuant to a material change in the terms of the Insurances during the Charter Period).

48.8 **Payment of premiums etc.** The Charterers undertake duly and punctually to pay all premiums, calls and contributions, and all other sums at any time payable in connection with the Insurances, and, at their own expense, to arrange and provide any guarantees from time to time required by any protection and indemnity or war risks association. From time to time upon the Owners' request, the Charterers shall provide the Owners and/or such Finance Party with evidence satisfactory to the Owners and/or such Finance Party that such premiums, calls, contributions and other sums have been duly and punctually paid; that any such guarantees have been duly given; and that all declarations and notices required by the terms of any of the Insurances to be made or given by or on behalf of the Charterers to brokers, underwriters or associations have been duly and punctually made or given.

48.9 **Compliance with Insurances** The Charterers will comply in all respects with all terms and conditions of the Insurances and will make all such declarations to brokers, underwriters and associations as may be required to enable the Vessel to operate in accordance with the terms and conditions of the Insurances. The Charterers will not do, nor permit to be done, any act, nor make, nor permit to be made, any omission, as a result of which any of the Insurances may become liable to be suspended, cancelled or avoided, or may become unenforceable, or as a result of which any sums payable under or in connection with any of the Insurances may be reduced or become

liable to be repaid or rescinded in whole or in part. In particular, but without limitation, the Charterers will not permit the Vessel to be employed other than in conformity with the Insurances without first taking out additional insurance cover in respect of that employment in all respects to the satisfaction of the Owners, and the Charterers will promptly notify the Owners of any new requirement imposed by any broker, underwriter or association in relation to any of the Insurances.

48.10 **Renewal of Insurances** The Charterers will:

48.10.1 no later than seven (7) days before the expiry of any of the Insurances renew them and shall immediately give the Owners and, if applicable, the Finance Parties such details of those renewals as the Owners and, if applicable, the Finance Parties may require; and

48.10.2 no later than 14 days before the expiry of any of the Insurances, give notice to the relevant insurers or insurance brokers of their intention to renew.

48.11 **Delivery of documents relating to Insurances** The Charterers shall:

48.11.1 deliver to the Owners (upon the Owners' request) and, if applicable, the Finance Parties (upon their request) copies of all policies, certificates of entry (endorsed with the appropriate loss payable Clauses as may be required by the Owners and the Finance Parties from time to time) and other documents relating to the Insurances (including, without limitation, receipts for premiums, calls or contributions); and

48.11.2 procure that letters of undertaking (in such form as are customary for the market) shall be issued to the Owners and, if applicable, the Finance Parties by the brokers through which the Insurances are placed (or, in the case of protection and indemnity or war risks associations, by their managers).

48.12 **Fleet cover** If the Vessel is at any time during the Charter Period insured under any form of fleet cover, the Charterers shall procure that those letters of undertaking contain confirmation that the brokers, underwriters or association (as the case may be) will not set off claims relating to the Vessel against premiums, calls or contributions in respect of any other vessel or other insurance, and that the insurance cover of the Vessel will not be cancelled by reason of non-payment of premiums, calls or contributions relating to any other vessel or other insurance. Failing receipt of those confirmations, the Charterers will instruct the brokers, underwriters or association concerned to issue a separate policy or certificate for the Vessel in the sole name of the Charterers or of the Charterers' brokers as agents for the Charterers.

48.13 **Provision of information on casualty, accidence or damage** The Charterers shall promptly provide the Owners with full information regarding any casualty or other accident or damage to the Vessel, including, without limitation, any incident resulting in the Vessel being taken under tow, any death or serious injury on board which would require the Vessel to be diverted from its then trading route and any communication with all parties involved in case of a claim under any of the Insurances provided that any information relating to any casualty or other accident or damage to the Vessel not exceeding the Major Casualty Amount shall only be provided by the Charterers to the Owners upon the Owners' request.

48.14 **Step-in rights of Owners** The Charterers agree that, at any time after the occurrence of a Termination Event which is continuing, the Owners shall be entitled to:

48.14.1 collect, sue for, recover and give a good discharge for all claims in respect of any of the Insurances;

48.14.2 to pay collecting brokers the customary commission on all sums collected in respect of those claims;

48.14.3 to compromise all such claims or refer them to arbitration or any other form of judicial or non-judicial determination; and

48.14.4 otherwise to deal with such claims in such manner as the Owners and, if applicable, the Finance Parties shall in their discretion think fit.

48.15 **Total loss insurance proceeds** Whether or not a Termination Event shall have occurred, the proceeds of any claim under any of the Insurances in respect of a Total Loss shall be paid and applied in accordance with Clause 63 (*Total Loss*).

48.16 **Payment of insurance proceeds**

48.16.1 The Owners agree that any amounts which may become due under any protection and indemnity entry or insurance shall be paid to the Charterers to reimburse the Charterers for, and in discharge of, the loss, damage or expense in respect of which they shall have become due, unless, at the time the amount in question becomes due, a Termination Event shall have occurred and is continuing, in which event the Owners shall be entitled to receive the amounts in question and to apply them either in reduction of the Default Termination Amount owed by the Charterers pursuant to Clause 59.4 (*Payment of Default Termination Amount*) or, at the option of the Owners, to the discharge of the liability in respect of which they were paid.

48.16.2 All claims in relation to the Insurances (other than in respect of a Total Loss) shall be payable in accordance with the applicable loss payable clause as set out in the Charterers' Assignment.

48.17 **Settlement, compromise or abandonment of claims** The Charterers shall not settle, compromise or abandon any claim under or in connection with any of the Insurances (other than a claim of less than the Major Casualty Amount arising other than from a Total Loss) without the prior written consent of the Owners and, if applicable, the Finance Parties.

48.18 **Owners' rights to maintain Insurances**

48.18.1 If the Charterers fail to effect or keep in force the Insurances, the Owners may (but shall not be obliged to) effect and/or keep in force such insurances on the Vessel and such entries in protection and indemnity or war risks associations as the Owners in their discretion consider desirable, and the Owners may (but shall not be obliged to) pay any unpaid premiums, calls or contributions. The Charterers will reimburse the Owners from time to time on demand for all such premiums, calls or contributions paid by the Owners, together with interest calculated in accordance with Clause 47.8 (*Default interest*) from the date of payment by the Owners until the date of reimbursement.

48.18.2 The Charterers shall, or shall procure that the relevant insurers or insurance brokers shall, promptly give notice to the Owners if:

(a) the Charterers fail to effect or keep in force the Insurances, whether by reason of non-payment of premium or otherwise; or

(b) any substantial change is made to the coverage which adversely affects the interest of the Owners or the Finance Parties (if any).

48.19 **Environmental protection issues** The Charterers shall comply strictly with the requirements of any legislation relating to pollution or protection of the environment which may from time to time be applicable to the Vessel in any jurisdiction in which the Vessel shall trade and in particular the Charterers shall comply strictly with the requirements of the United States Oil Pollution Act 1990 (the "**Act**") if the Vessel is to trade in the United States of America and Exclusive Economic Zone (as defined in the Act). Before any such trade is commenced and during the entire period during which such trade is carried on, the Charterers shall:

48.19.1 pay any additional premiums required to maintain protection and indemnity cover for oil pollution up to the limit available to the Charterers for the Vessel in the market; and

48.19.2 make all such quarterly or other voyage declarations as may from time to time be required by the Vessel's protection and indemnity association in order to maintain such cover; and

48.19.3 submit the Vessel to such additional periodic, classification, structural or other surveys which may be required by the Vessel's protection and indemnity insurers to maintain cover for such trade or for classification purposes, and to provide the Owners upon the Owners' request with copies of all such survey reports; and

48.19.4 implement any recommendations contained in the reports issued following the surveys referred to in Clause 48.19.3 within the relevant time limits; and

48.19.5 in addition to the foregoing (if such trade is in the United States of America and Exclusive Economic Zone):

(a) obtain and retain a certificate of financial responsibility under the Act in form and substance satisfactory to the United States Coast Guard and upon request provide the Owners with evidence of the same; and

(b) procure that the protection and indemnity insurances do not contain a US Trading Exclusion Clause or any other analogous provision and provide the Owners with evidence that this is so; and

(c) comply strictly with any operational or structural regulations issued from time to time by any relevant authorities under the Act so that at all times the Vessel falls within the provisions which limit strict liability under the Act for oil pollution.

48.20 **Innocent Owners' Interest Insurance** The Owners shall be at liberty to, in relation to the Vessel, take out or require the Charterers to arrange an Innocent Owners' Interest Insurance on such terms and conditions as the Owners may from time to time decide. The Charterers shall from time to time upon the Owners' demand reimburse the Owners for all costs, premiums and expenses paid or incurred by the Owners in connection with such Innocent Owners' Interest Insurance, but only to the extent corresponding to an Owners' Interest Insurance for a minimum amount of one hundred and twenty per cent. (120%) of the then current Cost Balance.

48.21 **Mortgagees' Interest Insurance** Any Finance Party shall be at liberty to take out a Mortgagees' Interest Insurance in relation to the Vessel on such terms and conditions as that Finance Party may from time to time decide. The Charterers shall from time to time upon the Owners' demand reimburse the Owners for all documented costs, premiums and expenses paid or incurred by the Owners or that Finance Party in connection with such Mortgagees' Interest Insurance, for a minimum amount of one hundred and twenty per cent. (120%) of the then current Cost Balance. Without prejudice to the foregoing, if the Charterers have reimbursed the Owners in accordance with this Clause 48.21, the Charterers shall not be obliged to reimburse the Owners in accordance with Clause 48.20 (*Innocent Owners' Interest Insurance*).

48.22 **Freight, demurrage and defence** To the extent not already covered under the Vessel's Insurances, the Owners shall be at liberty to, in relation to the Vessel, take out freight, demurrage and defence cover on such terms and conditions as the Owners may from time to time decide. The Charterers shall from time to time upon the Owners' demand reimburse the Owners for all costs, premiums and expenses paid or incurred by the Owners in connection with such cover, but only to the extent corresponding to such cover for an amount not exceeding one hundred and twenty per cent (120%) of the then current Default Termination Amount.

49 Redelivery

Upon the occurrence of:

49.1 any Termination Event which is continuing and if the Owners decide to retake possession of the Vessel pursuant to Clause 59 (*Termination Events*); or

49.2 an Early Termination pursuant to Clause 62.2 (*Early Termination – Illegality of Owners*) and if the Owners decide to retake possession of the Vessel,

the Charterers shall, at their own cost and expense, redeliver or cause to be redelivered the Vessel to the Owners at such safe, ice free port as the Owners may direct where

the Vessel would be afloat at all times in a ready safe berth or anchorage, in accordance with Clauses 49 (Redelivery), 50 (Redelivery conditions) and 51 (Diver's inspection at redelivery), without prejudice to the Owners' rights (at the Charterers' cost and expense) to repossess the Vessel from the Charterers at its 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, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners and the Charterers shall procure that the master and crew follow the orders and directions of the Owners. 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 crew shall be the sole responsibility of the Charterers.

50 Redelivery conditions

50.1 In addition to what has been agreed in Clause 49 (*Redelivery*), the condition of the Vessel shall at redelivery be as follows:

50.1.1 the Vessel shall be free of any overdue class and statutory recommendations affecting its trading certificates;

50.1.2 the Vessel must be redelivered with all equipment and spares or replacement items listed in the delivery inventory carried out pursuant to Clause 8 (*Inventories*) and any spare parts on board or on order for any equipment installed on the Vessel following delivery; all records, logs, plans, operating manuals and drawings, spare parts on board shall be included at the time of redelivery in connection with a transfer of the Vessel or such other items as are then in the possession of the Charterers shall be delivered to the Owners;

50.1.3 the Vessel must be redelivered with all national and international trading certificates and hull/machinery survey positions for both class and statutory surveys free of any overdue recommendation and valid;

50.1.4 the Vessel shall have its continuous survey system up to date;

50.1.5 the Vessel must be re-delivered with accommodation and common spaces for crew and officers substantially in the same condition as at the Actual Delivery Date, free of damage over and above fair wear and tear, clean and free of infestation and odours; with cargo spaces generally fit to carry the cargoes originally designed and intended for the Vessel; with main propulsion equipment, auxiliary equipment, cargo handling equipment, navigational equipment, etc., in such operating condition as provided for in this Charter;

50.1.6 the Vessel shall be free and clear of all liens (other than any Encumbrance falling within the definition of "Permitted Encumbrance");

50.1.7 at the costs and expenses of the Charterers, a final joint report from the surveyors appointed by the Owners and the Charterers respectively shall be carried out as to the condition of the Vessel and a list of agreed deficiencies if any shall be drawn up;

50.1.8 the funnel markings and name (unless being retained by the Owner following redelivery) shall be painted out by the Charterers; and

50.2 At redelivery, the Charterers shall ensure that all equipment controlling the habitability of the accommodation and service areas to be in proper working order, fair wear and tear excepted.

50.3 The Owners and Charterers shall each appoint (at the Charterers' cost and expense) surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at redelivery.

50.4 If the Vessel is not in the condition or does not meet the performance criteria required by this Clause 50, a list of deficiencies together with the costs of repairing/remedying such deficiencies shall be agreed by the respective surveyors.

50.5 The Charterers shall be obliged to repair any class items restricting the operation or trading of the Vessel prior to redelivery.

50.6 The Charterers shall be obliged to repair/remedy all such other deficiencies as are necessary to put the Vessel into the return condition required by this Clause 50.

50.7 The Owners shall have the right to place a maximum of two (2) representatives on board the Vessel at their sole risk and expense for a reasonable period prior to the redelivery of the Vessel.

51 Diver's inspection at redelivery

51.1 This Clause 51 will not apply if (i) after the occurrence of a Termination Event, the Charterers have paid the Default Termination Amount and any other amounts due under this Charter, or (ii) the Charterers have paid the Purchase Obligation Price and the Vessel has been redelivered to the Charterer pursuant to Clause 62 (*Early Termination, purchase obligation and transfer of title*).

51.2 Unless the Vessel is returned in dry-dock, a diver's inspection is required to be performed at the time of redelivery.

51.3 The Charterers shall, at the written request of the Owners, arrange at the Charterers' time and expense for an underwater inspection by a diver approved by the Classification Society immediately prior to the redelivery.

51.4 A video film of the inspection shall be made. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society.

51.5 If damage to the underwater parts is found affecting the Vessel's class and requiring repairs before the Vessel's next periodical survey, the Charterers shall arrange, at their time and costs, for the Vessel to be dry-docked (if required by the Classification Society) and repairs carried out to the satisfaction of the Classification Society.

51.6 If the conditions at the port of redelivery are unsuitable for such diver's inspection, the Charterers shall take the Vessel (in Owners' time but at Charterers' expense) to a suitable alternative place nearest to the redelivery port unless an alternative solution is agreed.

51.7 Without limiting the generality of Clause 65.1.3 (*Fees and expenses*), all costs relating to any diver's inspection shall be borne by the Charterers.

52 Application of proceeds

52.1 Subject to Clause 52.2, the Charterers and the Owners irrevocably authorise (and the Charterers shall procure the authorisation of the Obligors) the Owners to apply all moneys which it receives and is entitled to receive from time to time pursuant to the Transaction Documents in respect of the Vessel (the "**Transaction Document Proceeds**") in the following order:

52.1.1 firstly, in or towards payment pro rata of any due and unpaid fees, costs and expenses of that relevant Creditor Party, any Receiver or any Delegate under the Transaction Documents in respect of the Vessel;

52.1.2 secondly, in or towards payment pro rata of any accrued interest and fees due but unpaid under the Transaction Documents in respect of the Vessel;

52.1.3 thirdly, in or towards payment pro rata of any Secured Obligations due but unpaid under the Transaction Documents in respect of the Vessel;

52.1.4 fourthly, pro rata against any remaining Secured Obligations due but unpaid under the Transaction Documents in respect of the Collateral Vessels, in the following order of priority:

(a) due and unpaid fees, costs and expenses owing to the Creditor Parties, any Receiver or any Delegate, in respect of the Collateral Vessels;

(b) accrued interest and fees due but unpaid to the Creditor Parties under the Transaction Documents in respect of the Collateral Vessels; and

(c) any Secured Obligations due but unpaid, to the Owners; and

52.1.5 fifthly, and at such time when a Termination Event has occurred and is continuing, towards the prepayment of any Hire payable or the reduction of the Cost Balance (as defined under each Collateral Charter) for the Collateral Vessels; and

52.1.6 sixthly, subject to Clause 52.2, the surplus (if any) shall be paid to the Obligor or to their order.

52.2 Moneys to be applied by the Owners or any Receiver or Delegate under Clause 52.1 (*Application of proceeds*) shall be applied as soon as practicable after the relevant moneys are received by it, or otherwise become available to it, save that (without prejudice to any other provisions contained in this Charter or any of the Transaction

Documents), the Charterers and the Owners agree (and the Charterers shall procure the agreement of the Obligors) that the Owners or any Receiver or Delegate is entitled, at its sole discretion, to retain the Transaction Document Proceeds (whether by crediting them to a suspense account or otherwise) and in such manner as the Owners or such Receiver or Delegate may from time to time determine:

52.2.1 for so long as any Termination Event or Potential Termination Event has occurred and is continuing, regardless of any partial performance of the Charterers' obligations under the Transaction Documents, any intermediate payment or discharge in whole or in part or any other act, matter or thing which might otherwise constitute a legal or equitable discharge of any of the Charterers' obligations under the Transaction Documents;

52.2.2 for so long as any Secured Obligations in respect of the Vessel and the Collateral Vessels remain due but unpaid under the Transaction Documents; or

52.2.3 with a view to preserving the rights of the Owners or any of them to prove for the whole of the Secured Obligations (or any relevant part) against the Obligors or any of them or any other person liable.

52.3 None of the Owners, any Receiver or Delegate shall incur any liability or obligation to any Obligor for any application of proceeds as provided for in this Charter. The Charterers shall procure that each other Obligor shall agree and acknowledge such application.

53 Owners' mortgage

53.1 **Owners' funding arrangements** The Charterers:

53.1.1 acknowledge that the Owners are entitled and do intend to enter or have entered into certain funding arrangements with the Finance Parties in order to finance part of the MOA Purchase Price, which funding arrangements may be secured, inter alia, by ship mortgages over the Vessel and (along with other related matters) the relevant Finance Documents provided that:

(a) the amounts to be financed under such funding arrangements shall not exceed the Cost Balance from time to time; and

(b) the Owners use their reasonable endeavours to procure a letter of quiet enjoyment from the Owners' financier to the Charterers in such form as reasonably acceptable to the Charterers;

53.1.2 irrevocably consent to any assignment by way of security in favour of the Finance Parties of the Owners' rights in and to the Security Documents; and

53.1.3 without limiting the generality of Clause 55.16 (*Further assurance*) and without prejudice to Clause 65.1.1 (*Fees and expenses*), undertake at the Owners' costs to execute, provide or procure the execution or provision (as the case may be) of such further information or document as in the reasonable opinion of the Owners and/or the Finance Parties are necessary to effect the assignment referred to in Clause 53.1.2, including but not limited to:

(a) a first priority mortgage over the Vessel;

(b) a first priority assignment of this Charter;

(c) a first priority assignment of the Charter Guarantee;

(d) a first priority assignment of the Insurances and Requisition Compensation in respect of the Vessel;

(e) a manager's undertaking and subordination (which shall include an assignment of all such interests in the Insurances) from each of the managers of the Vessel; and

(f) any other security as the Owners may reasonably require.

53.2 **Owners' right to assign**

53.2.1 The Owners may assign, transfer and/or novate all or any of its rights and obligations under any of the Transaction Documents (or permit any change of direct shareholding in the Owners) to any person with prior notice and without the prior consent of the Charterers.

53.2.2 The Charterers or other Obligors shall execute such documents and do all such things as the Owners may require to facilitate and/or effect such assignment, transfer or novation by the Owners. The Charterers and the other Obligors shall permit any disclosure by the Owners of the Transaction Documents and the terms and conditions thereunder to any potential financiers, transferees or assignees and their respective advisers or agents as the Owners may deem necessary to facilitate any such transfer, assignment or novation.

53.3 **Assignments and transfers by Obligors** An Obligor may not assign or transfer any of its rights or obligations under any Transaction Document, except with the prior written consent of the Owners.

54 Charterers' representations and warranties

54.1 The Charterers represent and warrant to the Owners on (A) the date of this Charter and (by reference to the facts and circumstances then pertaining), on (B) the Actual Delivery Date and (C) each Hire Payment Date as follows:

54.1.1 **Status and due authorisation:** each Obligor and Approved Manager is a limited company or partnership or corporation and duly incorporated under the laws of its jurisdiction of incorporation with power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and all corporate and other action required to authorise its execution of the Transaction Documents and its performance of its obligations thereunder has been duly taken;

54.1.2 **No deductions or withholding:** under the laws of the Obligors' respective jurisdictions of incorporation, none of the Obligors will be required to make any deduction or withholding from any payment it may make under any of the Transaction Documents (other than a FATCA Deduction);

54.1.3 **Claims pari passu:** under the laws of the Obligors' respective jurisdictions of incorporation, the payment obligations of each Obligor under each Transaction Document to which it is a party, rank at least pari passu with the claims of all other unsecured and unsubordinated creditors of such obligor save for any obligations which are preferred solely by any bankruptcy, insolvency or other similar laws of general application;

54.1.4 **No immunity:** in any proceedings taken in any of the Obligors' or any Approved Manager's respective jurisdictions of incorporation in relation to any of the Transaction Documents, none of the Obligors will be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;

54.1.5 **Governing law and judgments:** in any proceedings taken in any of the Obligors' and any Approved Manager's jurisdiction of incorporation in relation to any of the Transaction Documents in which there is an express choice of the law of a particular country as the governing law thereof, that choice of law and any judgment or (if applicable) arbitral award obtained in that country will be recognised and enforced;

54.1.6 **Validity and admissibility in evidence:** all acts, conditions and things required to be done, fulfilled and performed in order (A) to enable each of the Obligors and any Approved Manager's lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Transaction Documents, (B) to ensure that the obligations expressed to be assumed by each of the Obligors and any Approved Manager in the Transaction Documents are legal, valid and binding, and (C) to make the Transaction Documents admissible in evidence in the jurisdictions of incorporation or formation of each of the Obligors and any Approved Manager, have been done, fulfilled and performed;

54.1.7 **No filing or stamp taxes:** under the laws of the Obligors' and any Approved Manager's respective jurisdictions of incorporation or formation, it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any court or other authority in its jurisdiction of incorporation or formation or that any stamp, registration or similar tax be paid on or in relation to any of the Transaction Document other than:

(a) the relevant maritime registry, to the extent applicable; and

(b) registration of particulars of any Security Documents with the relevant companies registries and the payment of the associated fees.

54.1.8 **Binding obligations:** the obligations expressed to be assumed by each of the Obligors and any Approved Manager in the Transaction Documents are legal and valid obligations, binding on each of them in accordance with the terms of the Transaction Documents and no limit on any of their powers will be exceeded as a result of the borrowings, granting of security or giving of guarantees contemplated by the Transaction Documents or the performance by any of them of any of their obligations thereunder;

54.1.9 **No misleading information:** any factual information provided by any Obligor to the Owners in connection with the Transaction Documents was true and accurate in all material respects as at the date it was provided and is not misleading in any respect;

54.1.10 **No winding-up:** none of the Obligors has taken any corporate, limited liability company or limited partnership action nor have any other steps been taken or legal proceedings been started or threatened against any Obligor for its winding-up, dissolution, administration or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets or revenues;

54.1.11 **Solvency:**

(a) none of the Obligors is unable, or admits or has admitted its inability, to pay its debts or has suspended making payments in respect of any of its debts;

(b) the value of the assets of the Group is not less than the liabilities of such entity (taking into account contingent and prospective liabilities); and

(c) no moratorium has been declared in respect of any indebtedness of any Obligor.

54.1.12 **No material defaults:**

(a) without prejudice to paragraph (b) below, none of the Obligors or any Approved Manager is in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which has or is reasonably likely to have a Material Adverse Effect; and

(b) no MOA Termination Event or Termination Event is continuing;

(c) no Potential MOA Termination Event or Potential Termination Event is continuing or might reasonably be expected to result from each Obligor's or any Approved Manager's entry into and performance of each Transaction Document to which such Obligor or any Approved Manager is a party;

54.1.13 **No material proceedings:** no, litigation, arbitration, action or administrative proceeding of or before any court, arbitral body or agency which is not covered by adequate insurance or which, if adversely determined, is reasonably likely to have a Material Adverse Effect, has been started or threatened against any of the Obligors or any Approved Manager;

54.1.14 **Accounts:**

(a) all financial statements relating to the Charter Guarantor required to be delivered under Clauses 55.1 (*Financial statements*) and 55.3 (*Interim financial statements*) were each prepared in accordance with GAAP, give (in conjunction with the notes thereto) a true and fair view of (in the case of annual financial statements) or fairly represent (in the case of semi-annual and quarterly financial statements) the financial condition of the Charter Guarantor (as the case may be) at the date as of which they were prepared and the results of their operations during the financial period then ended; and

(b) there has been no material adverse change in its business or financial condition (or the business or consolidated financial conditions of the Group, in the case of the Charter Guarantor) since the date on which the financial statements of the Charter Guarantor for the financial year ending 2022 are stated to have been prepared.

54.1.15 **No obligation to create Encumbrance:** the execution of the Transaction Documents by the Obligors or any Approved Manager and their exercise of their rights and performance of their obligations thereunder will not result in the existence of nor oblige any Obligor or any Approved Manager to create any Encumbrance over all or any of their present or future revenues or assets, other than pursuant to the Security Documents;

54.1.16 **No breach:** the execution of the Transaction Documents by each of the Obligors or any Approved Manager and their exercise of their rights and performance of their obligations under any of the Transaction Documents do not constitute and will not result in any breach of any agreement or treaty to which any of them is a party;

54.1.17 **Security:** each of the Obligors and any Approved Manager is the legal and beneficial owner of all assets and other property which it purports to charge, mortgage, pledge, assign or otherwise secure pursuant to each Security Document and those Security Documents to which it is a party create and give rise to valid and effective security having the ranking expressed in those Security Documents;

54.1.18 **Necessary Authorisations:** the Necessary Authorisations required by each Obligor and Approved Manager are in full force and effect, and each Obligor is in compliance with the material provisions of each such Necessary Authorisation relating to it and none of the Necessary Authorisations relating to it are the subject of any pending or threatened proceedings or revocation;

54.1.19 **No money laundering:** each Obligor and Approved Manager has complied with all Anti-Money Laundering Laws and each Obligor has instituted and maintained systems, controls, policies and procedures designed to:

(a) detect and prevent incidences of money laundering; and

(b) promote and achieve compliance with Anti-Money Laundering Laws;

54.1.20 **Disclosure of material facts:** the Charterers are not aware of any material facts or circumstances which have not been disclosed to the Owners and which might, if disclosed, have reasonably been expected to adversely affect the decision of a person considering whether or not to enter into the Transaction Documents;

54.1.21 **No breach of laws**:

(a) none of the Obligors or any Approved Manager has breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect; and

(b) no labour disputes are current or (to the best of the Charterers' knowledge and belief) threatened against any Obligor or any Approved Manager which have or are reasonably likely to have a Material Adverse Effect;

54.1.22 **Environmental Law**:

(a) each Obligor and Approved Manager is in compliance with Clause 55.12 (*Environmental compliance*) and (to the best of the Charterers' knowledge and belief) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect; and

(b) no Environmental Claim has been commenced or (to the best of the Charterers' knowledge and belief) is threatened against any Obligor, any Approved Manager or the Vessel where that claim has or is reasonably likely, if determined against that Obligor, Approved Manager or the Vessel, to have a Material Adverse Effect;

54.1.23 **Taxation**:

(a) no Obligor is materially overdue in the filing of any Tax returns and no Obligor is overdue in the payment of any amount in respect of Tax, save in the case of Taxes which are being contested on bona fide grounds; and

(b) no claims or investigations are being made or conducted against any Obligor with respect to Taxes is reasonably likely to arise;

54.1.24 **Business Ethics**: each Obligor and Approved Manager:

(a) has complied with all Business Ethics Laws;

(b) has instituted and maintained systems, controls, policies and procedures designed to:

(i) detect and prevent incidences of money laundering; and

(ii) promote and achieve compliance with Business Ethics Laws;

54.1.25 **Sanctions**

(a) neither any Obligor, any Approved Manager nor any of its Subsidiaries, directors, officers, Affiliates, is a Prohibited Person or is owned or controlled by, or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Person and none of such persons owns or controls a Prohibited Person;

(b) each of the Obligors, Approved Manager and each other member of the Group is in compliance with all Sanctions; and

(c) neither any Obligor, Approved Manager nor any member of the Group is the subject of any Sanctions-related issues or investigations;

54.1.26 **No Material Adverse Effect:** no event or circumstance which has occurred has or is reasonably likely to have a Material Adverse Effect;

54.1.27 **Copies of Project Documents:** the copies of the Project Documents provided by the Charterers to the Owners in accordance with Clause 43 (*Conditions precedent and subsequent*) are true and accurate copies of the originals and represent the full agreement between the parties to those Project Documents in relation to the subject matter of those Project Documents and there are no commissions, rebates (other than the Upfront Hire (as defined in the MOA) which the Charterers (as sellers) are obliged to pay to the Owners (as buyers) under the MOA), premiums or other payments due or to become due in connection with the subject matter of those Project Documents other than in the ordinary course of business or as disclosed to, and approved in writing by, the Owners; and

54.1.28 **Anti-Bribery Laws**:

(a) there is not and has not been any enquiry or disciplinary proceeding by a competent authority (including any internal investigation, enquiry or proceeding) concerning any Obligor or any Approved Manager or each of their Business and none is pending or threatened. To the best of the Charterers' knowledge, information and belief, no fact or circumstance exists which might give rise to an investigation, enquiry or proceeding of that type. No Obligor has made any voluntary or involuntary disclosure to any Government Authority with respect to any alleged act or omission arising under or relating to any Anti-Bribery Laws;

(b) none of the Obligors, Approved Managers or any of their Agents has, in relation to that Obligor's or that Approved Manager's Business, paid, offered, promised, given or authorised the payment of money or anything of value directly or indirectly to any person either intending to induce a person to improperly perform a function or activity or to reward a person for any such performance, or while knowing or believing that the acceptance by that person would constitute the improper performance of a function or activity;

(c) none of the Obligors, Approved Managers or any of their Agents has, in relation to that Obligor's or that Approved Manager's Business, directly or indirectly requested, agreed to receive or accepted money or anything of value:

(i) as a reward for the improper performance of a function or activity by any person;

(ii) in circumstances which amount to an improper performance of a function or activity; or

(iii) intending that as a consequence of any such request, agreement to receive or acceptance a function or activity will be performed improperly;

(d) none of the Obligors, Approved Managers or any of their Agents has, in relation to that Obligor's or that Approved Manager's Business, improperly performed a function or activity in anticipation of, or in consequence of, that Obligor, Approved Manager or any of their Agents requesting, agreeing to receive or accepting money or anything of value;

(e) none of the Obligors, Approved Managers or any of their Agents has, in relation to that Obligor's or that Approved Manager's Business, at any time taken any action, directly or indirectly, in violation of Anti-Bribery Laws and that Obligor or that Approved Manager conducts and has at all times conducted the Business in compliance with Anti-Bribery Laws;

(f) each Obligor and Approved Manager has instituted and maintained policies and procedures designed to ensure, and which that Obligor or that Approved Manager reasonably believes will continue to ensure, continued compliance by that Obligor, Approved Manager and each of their Agents with Anti-Bribery Laws and to prevent any breach of Anti-Bribery Laws by that Obligor, that Approved Manager or any of their Agents occurring, in each case, in relation to that Obligor's or that Approved Manager's Business. So far as the Charterers are aware, neither any Obligor, any Approved Manager nor any of its Agents has, in relation to that Obligor's or that Approved Manager's Business, done anything or omitted to do anything which amounts to a breach of the Anti-Bribery Compliance Programme.

54.1.29 **US Tax Obligor:** none of the Obligors nor Approved Managers is a US Tax Obligor, nor has it established a place of business in the United States of America.

54.1.30 **Non-conflict with other obligations:** the entry into and performance by each Obligor and Approved Manager, and the transactions contemplated by the Transaction Documents do not and will not conflict with (A) any law or regulation applicable to it; or (B) its constitutional documents; or (C) any agreement or instrument binding upon such Obligor or Approved Manager or any of such Obligor's or Approved Manager's assets or constitute a default or termination event (however described) under any such agreement or instrument.

54.1.31 **No Financial Indebtedness:** the Charterers have not incurred any Financial Indebtedness except as provided in clause 55.24 (*No borrowings*).

54.1.32 **No place of business in the United Kingdom:** none of the Obligors has established a place of business in the United Kingdom.

54.1.33 **Ownership:** the Charter Guarantor directly or indirectly holds one hundred per cent. (100%) of the issued share capital of the Charterers.

54.2 **Representations limited:** the representation and warranties of the Charterers in Clause 54.1.1, Clause 54.1.6 and Clause 54.1.7 are subject to:

54.2.1 the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court;

54.2.2 the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws generally affecting or limiting the rights of creditors;

54.2.3 the time barring of claims under any applicable limitation acts;

54.2.4 the possibility that a court may strike out provisions for a contract as being invalid for reasons of oppression, undue influence or similar; and

54.2.5 any other reservations or qualifications of law expressed in any legal opinions obtained by the Owners in connection with the Transaction Documents.

55 Charterers' undertakings

The undertaking and covenants in this Clause 55 remain in force for the duration of the Charter Period.

55.1 **Financial statements:** The Charterers shall supply to the Owners as soon as the same become available, but in any event within one hundred and eighty (180) days after the end of each of the Charter Guarantor's Financial Years, the Charter Guarantor's audited financial statements for that Financial Year.

55.2 **Requirements as to financial statements:** Each set of financial statements delivered to the Owners under Clause 55.1 (*Financial statements*) in relation to the Charter Guarantor (a "**Notifying Party**"):

55.2.1 shall be certified by either the chief executive officer or the chief financial officer of the relevant Notifying Party as fairly representing its financial condition as at the date as at which those financial statements were drawn up and in accordance with Clause 55.43 (*Compliance certificate*); and

55.2.2 shall be prepared in accordance with GAAP.

55.3 **Interim financial statements** The Charterers shall supply to the Owners as soon as the same become available, but in any event within ninety (90) days after the end of each of the Charter Guarantor's Financial Half-Years, the unaudited consolidated financial statements of the Charter Guarantor for that Financial Half-Year.

55.4 **Information: miscellaneous** The Charterers shall:

55.4.1 notify the Owners in writing promptly upon becoming aware of any Project Document being terminated, repudiated, cancelled or otherwise ceasing to remain in full force and effect;

55.4.2 notify the Owners in writing immediately if a Sub-Charter or Sub-Charter Guarantee is terminated, cancelled, repudiated, or expires, or otherwise ceases to remain in full force and effect;

55.4.3 notify the Owners in writing immediately becoming aware of them, full details of (i) any Potential MOA Termination Event, Potential Termination Event, MOA Termination Event or Termination Event and (ii) any litigation, arbitration or administrative proceedings which are current, or (to their knowledge), threatened or pending against any Obligor or any member of the Group involving claims that are in excess of or likely to exceed US$5,000,000 in aggregate;

55.4.4 promptly provide the Owners such further information regarding the financial condition, business and operations of any Obligor as the Owners may reasonably request;

55.4.5 promptly disclose all material information in relation to any Sub-Charter, including (but not limited to) the main commercial terms of such Sub-Charter, any material information in relation to any Sub-Charterers' fulfilment of their obligations pursuant to the relevant Sub-Charter, the occurrence of any Charterer's Default (as defined or howsoever described in the Initial Sub-Charter), any notice sent by the Charterers to the Initial Sub-Charterers in connection with such Charterer's Default, any reduction of the charterhire of more than five per cent (5%) of the initial charterhire rate under any Sub-Charter, any suspension of charterhire payment under any Sub-Charter, the delivery of the Vessel under any Sub-Charter and any other information which the Owners may request, acting reasonably;

55.4.6 notify the Owners in writing immediately if any Project Party repudiates (or evidences an intention to repudiate) any Project Document to which such Project Party is a party; and

55.4.7 notify the Owners in writing immediately if any Project Party ceases or threatens to cease, to carry on all or any material part of such Project Party's business;

55.4.8 notify the Owners in writing immediately after any reduction or repayment of capital in respect of the Charterers occurs;

55.4.9 provide promptly, such information and documents as the Owners may reasonably require about the Security Assets and in respect of compliance of the Obligors with the terms of any Security Documents;

55.4.10 notify the Owners in writing immediately of the following events:

(a) a condition of class is applied by the Classification Society and not complied with within the time period allowed including any permitted extension;

(b) the Vessel is arrested, confiscated, seized, requisitioned, impounded, forfeited or detained by any government or other competent authorities or any other persons;

(c) a class or flag authority refuses to issue or withdraws trading certification;

(d) the Vessel is planned for emergency dry-docking in accordance with the Classification Society requirements;

(e) any damage to the Vessel the repair costs of which (whether before or after adjudication) are likely to exceed the Major Casualty Amount.

55.5 **Maintenance of legal validity** The Charterers shall comply with the terms of and do all that is necessary to maintain in full force and effect all Necessary Authorisations required in or by the laws and regulations of their jurisdiction of formation or incorporation and all other applicable jurisdictions, to enable them lawfully to enter into and perform their obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents in their jurisdiction of incorporation or formation and all other applicable jurisdictions.

55.6 **Notification of Termination Event** The Charterers shall promptly, upon becoming aware of the same, inform the Owners in writing of the occurrence of any Potential Termination Event or any Termination Event (and the steps, if any, being taken to remedy this) and, upon receipt of a written request to that effect from the Owners, confirm to the Owners that, save as previously notified to the Owners or as notified in such confirmation, no Termination Event is continuing or if a Termination Event is continuing specifying the steps, if any, being taken to remedy it.

55.7 **Claims *pari passu*** The Charterers shall ensure that at all times their payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all their other unsecured and unsubordinated creditors except for obligations mandatorily preferred by any bankruptcy, insolvency, liquidation, winding-up or other similar laws of general application.

55.8 **Necessary Authorisations** Without prejudice to any specific provision of the Transaction Documents relating to a Necessary Authorisation, the Charterers shall (i) obtain, comply with and do all that is necessary to maintain in full force and effect all Necessary Authorisations; and (ii) promptly upon request, supply certified copies to the Owners of all Necessary Authorisations.

55.9 **Compliance with applicable laws** The Charterers shall comply and shall procure that each member of the Group shall comply, with all applicable laws, conventions and regulations, including without limitation SOLAS and the Environmental Laws, to which they or the Vessel may be subject (except as regards Business Ethics Laws to which Clause 55.10 (*Business Ethics Laws*) applies, Sanctions to which Clause 55.11 (*Sanctions*) applies, and Tax to which Clause 55.14 (*Taxation*) applies) if a failure to do the same is reasonably likely to have a Material Adverse Effect.

55.10 **Business Ethics Laws** The Charterers undertake that:

55.10.1 they shall, and shall procure that other Obligors and any Approved Manager (including procuring or as the case may be, using all reasonable endeavours to procure the respective officers and directors of the relevant entity, to do the same) shall:

(a) comply with all Business Ethics Laws;

(b) maintain system, controls, policies and procedures designed to promote and achieve ongoing compliance with Business Ethics Laws; and

(c) not use, or permit or authorise any person to directly or directly use, any part of the MOA Purchase Price for any purpose that would breach any applicable Business Ethics Laws;

55.10.2 they shall not lend, invest, contribute or otherwise make available any part of the MOA Purchase Price to or for any other person in a manner which would result in a violation of any Business Ethics Laws;

55.10.3 they shall, and shall procure that each Obligor and each Approved Manager shall promptly notify the Owners of any non-compliance, by any Obligor and any Approved Manager or any of their respective officers or directors, with all any laws and regulations relating to Business Ethics Laws as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws.

55.11 **Sanctions** The Charterers undertake that they shall comply or procure compliance with the following undertakings commencing from the date hereof and up to the last day of the Charter Period that:

55.11.1 none of the Obligors, Approved Managers nor any of their Subsidiaries, directors, officers, Affiliates, is a Prohibited Person or is owned or controlled by, or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Person and none of such persons owns or controls a Prohibited Person;

55.11.2 none of the Obligors or Approved Managers will, directly or indirectly, use any part of the MOA Purchase Price or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or any other person, to (A) fund any activities or business of or with any person, in any country or territory that at the time of such funding, is, a Prohibited Person or Restricted Country, or (B) in any other manner or for a purpose that would result in a violation of Sanctions by any Obligor, Approved Manager or the Owners and any of their Affiliates;

55.11.3 the Charterers shall comply and shall procure that each Obligor and any Approved Manager (including, in each case, procuring or as the case may be, using its best endeavours to procure their respective officers and directors, to do the same) complies with all laws and regulations in respect of Sanctions, and in particular, they shall effect and maintain a sanctions compliance policy and appropriate safeguards designed to prevent any action that would be contrary to Clause 54.1.25 (*Sanctions*) and this Clause 55.11 to ensure compliance with all such laws and regulations implemented from time to time;

55.11.4 the Vessel shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion Clause (or similar) in the Insurances and/or re-insurances;

55.11.5 the Vessel shall not be used directly or indirectly in trading or otherwise going to, or calling at, any port or other facility in, any Restricted Country;

55.11.6 the Charterers shall not permit or authorise any other person to utilise or employ the Vessel or to directly or indirectly use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any transaction(s) contemplated by the Transaction Documents to any subsidiary, joint venture partner or any other person to fund any trade, business or other activities:

(a) involving or for the benefit of any Prohibited Person or Restricted Country; or

(b) in any other manner that would reasonably be expected to result in any Obligor, any Approved Manager, the Owners or any Finance Party (if applicable) being in breach of any Sanctions or become a Prohibited Person.

55.12 **Environmental compliance** The Charterers shall, and shall procure that each of the Obligors and Approved Managers will:

55.12.1 comply with any applicable Environmental Law;

55.12.2 obtain, maintain and ensure compliance with all requisite Environmental Approvals; and

55.12.3 implement procedures to monitor compliance with and to prevent liability under any Environmental Law.

55.13 **Environmental Claims** The Charterers shall promptly upon becoming aware of the same, inform the Owners and provide full details in writing of:

55.13.1 any Environmental Claim against any Obligor, any Approved Manager or any member of the Group which is current, pending or threatened;

55.13.2 any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any Obligor or any Approved Manager; and

55.13.3 any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

55.14 **Taxation** The Charterers shall (and shall procure that each other Obligor shall) pay and discharge all Taxes imposed upon it or its assets within the time period allowed including any permitted extension without incurring penalties unless and only to the extent that:

55.14.1 such payment is being contested in good faith;

55.14.2 adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Owners under Clause 55.1 (*Financial statements*); and

55.14.3 such payment can be lawfully withheld.

If the Charterers or any other Obligor fails to fulfil any obligations in connection with any Tax, the Charterers shall promptly inform the Owners. The Charterers shall indemnify and hold the Owners harmless against all losses as a consequence of any non-compliance by the Charterers or any other Obligor of any applicable tax laws and regulations.

55.15 **Loans or other financial commitments** The Charterers shall not make any loan or enter into any guarantee and indemnity, voluntarily assume any actual or contingent liability, or otherwise provide any other form of financial support in respect of any obligation of any other person except pursuant to the Transaction Documents.

55.16 **Further assurance** The Charterers shall at their own expense, promptly take all such action as the Owners may reasonably require for the purpose of perfecting or protecting any of the Owners' rights with respect to the security created or evidenced (or intended to be created or evidenced) by the Security Documents.

55.17 **Inspection of records** The Charterers will permit the inspection of their financial records and accounts on reasonable notice from time to time before 5:00 pm in the place of business by the Owners or their nominee unless such financial records and accounts are publicly available.

55.18 **Insurance** The Charterers shall procure that all of the assets, operation and liability of the Charterers are insured against such risks, liabilities and for amounts as normally adopted by the industry for similar assets and liabilities and, in the case of the Vessel, in accordance with the terms of this Charter.

55.19 **Change of Control and other merger and demerger**

55.19.1 The Charterers shall ensure that, unless with the Owners' prior written consent, no Change of Control shall occur.

55.19.2 Without limiting Clause 55.19.1, the Charterers shall not (and shall procure that the Charter Guarantor shall not) enter into any acquisition, amalgamation, merger, demerger or other corporate restructuring without the prior written consent of the Owners, except in the case of the Charter Guarantor, where the Charter Guarantor is the surviving entity.

55.20 **Transfer of assets**

55.20.1 Except as permitted under Clause 55.20.2, the Charterers shall not sell, dispose of or transfer any of its assets.

55.20.2 Clause 55.20.1 does not apply to any sale, lease, transfer or other disposal which is a Permitted Disposal.

55.21 **Change of business** The Charterers shall not (and shall procure that no other Obligor will) without the prior written consent of the Owners, make any substantial change to the general nature of their business from that carried on at the date of this Charter.

55.22 **Acquisitions** The Charterers shall not make any acquisitions or investments without the prior written consent of the Owners (such consent not to be unreasonably withheld or delayed) save for the acquisition of the Vessel under the Building Contract.

55.23 **"Know your customer" checks** If:

55.23.1 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 Charter;

55.23.2 any change in the status of any Obligor after the date of this Charter; or

55.23.3 a proposed assignment or transfer by Owners of any of their rights and obligations under this Charter, obliges the Owners to comply with reasonable "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Charterers shall promptly upon the request of the Owners supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Owners in order for the Owners to carry out and be satisfied they have complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Transaction Documents.

55.24 **No borrowings** The Charterers shall not incur any liability or obligation except for:

55.24.1 liabilities and obligations under the Transaction Documents to which they are parties;

55.24.2 liabilities or obligations reasonably incurred in the ordinary course of operating, chartering, repairing and maintaining the Vessel; or

55.24.3 any Financial Indebtedness owing to other members of the Group which is unsecured and subordinated to the Owners pursuant to a subordination deed on terms acceptable to the Owners.

55.25 **No dividends** The Charterers shall not (and shall procure that the Charter Guarantor shall not) pay any dividends or make other distributions to its shareholders whilst a Termination Event is continuing.

55.26 **Negative pledge** The Charterers shall:

55.26.1 not create, or permit to subsist, any Encumbrance (other than pursuant to the Security Documents) over all or any part of the Vessel, their other assets or undertakings (other than Permitted Encumbrances) nor dispose of the Vessel or any of those assets or all or any part of those undertakings; and

55.26.2 procure that none of their shareholders will create, or permit to subsist, any Encumbrance (other than pursuant to any Security Documents) over the shares of the Charterers.

55.27 **Management of the Vessel** The Charterers shall ensure that the Vessel is at all times managed by the Approved Managers.

55.28 **Classification** The Charterers shall ensure that the Vessel maintains the highest classification required for the purpose of the relevant trade of the Vessel which shall be with the Vessel's Classification Society, in each case, free from any overdue recommendations and conditions affecting the Vessel's class.

55.29 **Certificate of financial responsibility** The Charterers shall, if required, obtain and maintain a certificate of financial responsibility in relation to the Vessel which is to call at the United States of America.

55.30 **Registration** The Charterers shall not change or permit a change to the flag of the Vessel throughout the duration of this Charter other than to a Pre-Approved Flag or such other flag as may be approved by the Owners, such approval not to be unreasonably withheld or delayed. Any change to the flag of the Vessel shall be at the cost of the Charterers (which shall include any reasonable and costs of the Finance Parties (if applicable)).

55.31 **ISM and ISPS Compliance** The Charterers shall ensure that each ISM Company and ISPS Company complies in all material respects with the ISM Code and the ISPS Code, respectively, or any replacements thereof and in particular (without prejudice to the generality of the foregoing) shall ensure that such company holds (i) a valid and current Document of Compliance issued pursuant to the ISM Code, (ii) a valid and current SMC issued in respect of the Vessel pursuant to the ISM Code, and (iii) an ISSC in respect of the Vessel, and the Charterers shall promptly, upon request, supply the Owners with copies of the same.

55.32 **Chartering-in** The Charterers shall not, during the duration of this Charter, without the prior written consent of the Owners, take any vessel on charter or other contract of employment (or agree to do so).

55.33 **Inspection of Vessel**

55.33.1 The Charterers shall permit the Owners and all persons appointed by the Owners to board the Vessel from time to time during the Charter Period (provided that such inspection shall not interfere with the operation of that Vessel) to inspect the Vessel's state and condition and shall provide such necessary assistance and all proper facilities to the Owners in respect of such inspection and, if the Vessel shall not be in a state and condition which complies with the requirements of the Classification Society, to effect such repairs to ensure such compliance, without prejudice to the Owners' other rights under or pursuant to the Transaction Documents.

55.33.2 The Charterers shall be liable for the cost of one such inspection per calendar year, unless a Potential Termination Event or a Termination Event has occurred and is continuing, in which case the Charterers shall be liable for the cost of all inspections as may be required by the Owners.

55.33.3 Without prejudice to Clause 55.33.1, the Charterers shall, at the Charterers' cost and upon the Owners' request once every 12 months during the Charter Period, deliver to the Owners an inspection report as to the condition of the Vessel containing such information as may be reasonably required by the Owners.

55.34 **Valuation Report**

55.34.1 For the purposes of testing the Value Maintenance Ratio on a Test Date, the Market Value shall be determined by the Owners based on the valuation from the most recent Valuation Report provided to the Owners which shall refer to a fixed figure and not a range of values. The Charterers will deliver or procure the delivery to the Owners of a Valuation Report no later than thirty (30) days after the relevant Test Date:

(a) once every twelve (12) months during the Charter Period (each such Valuation Report to be at the Charterers' cost) and issued by an Approved Valuer no more than thirty (30) days before the relevant Test Date; and

(b) at such other times as the Owners may require in their absolute discretion (each such Valuation Report to be at the Owners' cost unless a Termination Event has occurred and is continuing following which each such additional Valuation Report shall be at the cost of the Charterers),

provided that if the Charterers fail to deliver any Valuation Report in accordance with the requirements under this Clause 55.34, the Owners may arrange each such Valuation Report at the Charterers' cost.

55.34.2

(a) If the Owners request a second valuation at any relevant time, the Market Value of the Vessel shall be the arithmetic average of the valuations certified pursuant to the two (2) Valuation Reports, one Valuation Report being obtained from each of two Approved Valuers (one appointed by the Charterers and one appointed by the Owners).

(b) If the two (2) Valuation Reports obtained pursuant to Clause 55.34.2(a) have a variation greater than 10% (using the higher valuation as a denominator), a third Valuation Report shall be obtained from a third Approved Valuer appointed by the Owners, and the Market Value of the Vessel shall be the arithmetic average of all three (3) valuations certified pursuant to the three (3) Valuation Reports.

55.35 **Transactions with Affiliates** The Charterers shall (and shall procure that each Obligor shall) procure that all transactions conducted or to be conducted between each Obligor and any of their Affiliates will be on an arm's length commercial basis.

55.36 **Project Documents** In relation to the Project Documents, the Charterers undertake that:

55.36.1 there shall be no wrongful termination by the Charterers of any term of any Project Document, no material alteration to any term of the Building Contract and no material alteration to any term of the other Project Documents, and no waiver of any term of any Project Document;

55.36.2 they shall not exercise any of their rights in a manner which is contrary to or inconsistent with the Security Documents or waive any of their rights under or in connection with any Project Document, in each case without the prior written consent of the Owners; and

55.36.3 without prejudice to the foregoing, the Charterers shall, where applicable, use reasonable endeavours and forthwith execute and deliver any and all such other agreements, instruments and documents (including any novation agreement) as may be required by law or deemed necessary by the Owners (acting reasonably) to ensure that the Project Documents (excluding the Building Contract) which are in effect on the date of this Charter (in particular any Sub-Charters) shall remain in effect, so that all obligations previously owed by the applicable Project Party to the Charterers under such Project Documents shall continue to be owed to the Charterers throughout the Charter Period.

For the purpose of Clause 55.36.1 an alteration any term of the Building Contract shall be deemed "material" if, when taken together with all previous alterations, it would result in an overall increase of more than twenty per cent. (20%) in the price of the Vessel under the Building Contract or it would result in the "Delivery Date" (as such term is described under the Building Contract) being changed.

55.37 **Evidence of delivery under Sub-Charters and replacement time charters** The Charterers shall:

55.37.1 within thirty (30) days after the Vessel is delivered to any Sub-Charterers (other than the Initial Sub-Charterers) in accordance with the relevant Sub-Charter (other than the Initial Sub-Charter), provide a written confirmation to the Owners that such delivery has occurred; and

55.37.2 within thirty (30) days after the Vessel is delivered to the relevant replacement charterer in accordance with a replacement time charter referred to in Clause 59.1.24 (*Termination, repudiation or cancellation of Sub-Charter on or before the Actual Delivery Date*) or Clause 59.1.25 (Termination, repudiation or cancellation of Sub-Charter after the Actual Delivery Date) has occurred, provide a written confirmation to the Owners that such delivery has occurred.

55.38 **Tax indemnity**

55.38.1 The Charterers shall (within five Business Days of demand by the Owners) pay to the Owners an amount equal to the loss, liability or cost which the Owners determine will be or has been (directly or indirectly) suffered for or on account of Tax by the Owners in respect of any Transaction Document, together with any interest, penalties, costs and expenses payable or incurred.

55.38.2 Clause 55.38.1 shall not apply with respect to any Tax assessed on the Owners under the law of the jurisdiction in which the Owners are incorporated or, if different, the jurisdiction (or jurisdictions) in which the Owners are treated as resident for tax purposes if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Owners.

55.39 **Anti-Bribery Laws** The Charterers shall promptly report to the Owners any request or demand for any payment, gift, promise, other advantage or anything of value received by the Agent of the Owners in connection with the Charterers' Business. The Owners have the right to audit the Charterers' records and reports in relation to the Charterers' Business at any time during and within two (2) years after the Termination

or the expiry of this Charter unless such reports or records are publicly available. Such records and information shall include at a minimum all invoices for payment submitted by the Charterers along with complete supporting documentation. The Owners shall have the right to reproduce and retain copies of any of the aforesaid records or information.

55.40 **No US Tax Obligor** the Charterers will ensure that no Obligor shall become a US Tax Obligor.

55.41 **Trading limits** The Charterers shall procure that during the Charter Period the Vessel will not enter the waters which are not within International Navigating Limits, unless that employment or voyage is either (i) consented to in advance and in writing by the underwriters of the Vessel's hull and machinery and/or war risks insurances and fully covered by those insurances, or (ii) (to the extent not covered by those insurances) covered by additional insurance as may be deemed necessary by the Owners taken out by the Charterers at their expense, which additional insurance shall be deemed to be part of the Insurances and be subject to the Encumbrances.

55.42 **Restrictions on employment** The Charterers shall, during hostilities (whether or not a state of war shall formally have been declared and including, without limitation, any civil war) not:

55.42.1 permit the Vessel to be employed in carrying any goods which may be declared to be contraband of war or which may render the Vessel liable to confiscation, seizure, detention or destruction; nor

55.42.2 permit the Vessel to enter any area which is declared a war zone by any governmental authority or by the Vessel's insurers,

unless that employment or voyage is either (i) consented to in advance and in writing by the underwriters of the Vessel's war risks insurances and fully covered by those insurances, or (ii) (to the extent not covered by those insurances) covered by additional insurance taken out by the Charterers at their expense, which additional insurance shall be deemed to be part of the Insurances and be subject to the Encumbrances.

55.43 **Compliance certificate** Concurrently with the delivery of each set of the annual financial statements in respect of the Charter Guarantor in accordance with Clause 55.1 (*Financial statements*), the Charterers shall deliver to the Owners a Compliance Certificate signed by the Chief Financial Officer of the Charter Guarantor, certifying that, as at the date of such financial statements:

55.43.1 the Charter Guarantor is in compliance with the covenants and undertakings in Clause 57 (*Financial covenants*) and Clause 58 (*Value maintenance clause)* (or if it is not in compliance, indicating the extent of the breach) and setting out the calculation of the covenants and undertakings in Clause 57 (*Financial covenants*) and Clause 58 (*Value maintenance clause)*; and

55.43.2 that no Termination Event has occurred and is continuing which has not been waived or remedied at the date of such Compliance Certificate or, if that is not the case, specifying the same and the steps, if any, being taken to remedy the same.

55.44 **Sub-Time Charter** Unless agreed otherwise by the Owners, the Charterers shall ensure that the Vessel shall, as and from the Actual Delivery Date, be employed under the Sub-Time Charter for the duration of the charter period under the Sub-Time Charter and thereafter at a rate of hire which will enable the Charterers to satisfy the terms and conditions imposed on them under this Charter.

56 Earnings Accounts

56.1 The Charterers hereby undertake to the Owners that:

56.1.1 if, at any time during the Charter Period, the Account Bank is to be changed from such bank or financial institution which the Owners and the Charterers have previously agreed to be the Account Bank for the purpose of this Charter (in each instance a "**Previous Account Bank**") as a result of the Owners' internal approval requirements, then the Charterers shall (without limiting the generality of Clause 55.16 (*Further assurance*)) at the Owners' expense (unless such request is a result of a change of law in which case the Charterers shall be responsible for such expense), promptly take all such action as the Owners may reasonably require for the purpose of effecting a substitution of such Previous Account Bank to such Owners-approved bank or financial institution (in each instance the "**Newly-Approved Account Bank**"), including but not limited to the following:

(a) the (i) execution of all necessary account opening mandates, "know your client", compliance checks or similar documents, and (ii) payment of account administration, operation, maintenance or associated fees, in each case as such Newly-Approved Account Bank may require;

(b) the transfer of all amounts standing credit to the Earnings Accounts held with such Previous Account Bank to the Earnings Accounts opened or to be opened with the Newly-Approved Account Bank; and

(c) the:

(i) execution of a new security instrument (together with all other documents required by it according to its terms, including, without limitation, all notices of assignment and/or charge and acknowledgements of all such notices of assignment); and

(ii) procurement of: (x) a legal opinion issued by a competent law firm qualified to practise in the jurisdiction in which the new Earnings Accounts referred to in Clause (b) above is to be opened, (y) a legal opinion issued by a competent law firm qualified to practise in the jurisdiction of formation of the Charterers, and (z) such security instrument, other documents and legal opinions shall, in each case as applicable, in form and substance satisfactory to the Owners (acting reasonably); and

(iii) to deposit all of the Earnings received by the Charterers into the Earnings Accounts, free and clear of any costs, fees, expenses, disbursements, withholdings or deductions.

57 Financial Covenants

57.1 **Financial definitions** For the purpose of this Clause 57, the following definitions shall apply:

57.1.1 "**Cash and Cash Equivalents**" has the meaning given to it under GAAP.

57.1.2 "**EBITDA**" means in respect of the Charter Guarantor, the aggregate amount of combined pre-tax profits of the Group before extraordinary or exceptional items, interest, depreciation and amortization as shown in the most recent accounting information.

57.1.3 "**Fleet Vessels**" means all of the vessels from time to time wholly owned by the Charter Guarantor and, in the singular, means any of them.

57.1.4 "**Interest Expense**" means as at the date of calculation or for any accounting period, the aggregate interest expense less any interest income as shown in the most recent accounting information.

57.1.5 "**Net Total Debt**" means Total Debt less Cash and Cash Equivalents.

57.1.6 "**Net Worth**" means Total Assets less Total Liabilities.

57.1.7 "**Total Assets**" means as at the date of calculation or, as the case may be, for any accounting period, the total assets of the Charter Guarantor as at that date (based on book values) or for that period (which shall have the meaning given thereto under the GAAP) as shown in the most recent financial statements delivered by the Charter Guarantor pursuant to Clause 55.1 (*Financial Statements*).

57.1.8 "**Total Debt**" means as at the date of calculation or, as the case may be, for any accounting period, the total debt of the Group as at that date or for that period (which shall have the meaning given thereto under GAAP) as shown in the most recent financial statements delivered by the Charter Guarantor pursuant to Clause 55.1 (*Financial Statements*).

57.1.9 "**Total Liabilities**" means, as at the date of calculation or, as the case may be, for any accounting period, the total liabilities of the Charter Guarantor as at that date (based on book values) or for that period (which shall have the meaning given thereto under the GAAP) as shown in the most recent financial statements delivered by the Charter Guarantor pursuant to Clause 55.1 (*Financial Statements*).

57.2 **Financial covenants** The Charterers shall procure that the Charter Guarantor will ensure that at all times during the Charter Period that the following financial covenants apply to the Charter Guarantor and its Subsidiaries on a consolidated basis:

57.2.1 **Minimum liquidity** Cash and Cash Equivalents shall be not less than USD500,000 per Fleet Vessel;

57.2.2 **Minimum interest coverage** The ratio of EBITDA to Interest Expense shall be equal or greater than 2:1;

57.2.3 **Net Total Debt to Total Assets** The Net Total Debt divided by Total Assets adjusted (i) for market values of vessels owned and (ii) by deducting (A) the value of the assets relating to operating leases as defined under rule ASC 842 of the GAAP and (B) Cash and Cash Equivalents shall be less than 75%; and

57.2.4 **Minimum Net Worth (Book)** The Net Worth shall not be less than US$135,000,000.

57.3 **Financial testing**

57.3.1 The financial covenants in this Clause 57 shall be tested by reference to each of the financial statements delivered pursuant to, as applicable, Clause 55.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 55.43 (*Compliance Certificate*).

57.3.2 Any amount in a currency other than US Dollars is to be taken into account at its US Dollar equivalent calculated on the basis of the relevant rates of exchange used by the Charter Guarantor in, or in connection with, its financial statements for that period.

57.3.3 When calculating the financial covenants in this Clause 57, the effect of all transactions between members of the Group shall be eliminated to the extent not already netted out on consolidation.

57.3.4 No item may be credited or deducted more than once in any calculation under this Clause 57.

58 Value maintenance clause

58.1 **Definitions** In this Clause 58:

"**Test Date**" means 31 December of each year after the Actual Delivery Date.

"**Value Maintenance Ratio**" means the ratio (expressed as a percentage) of:

(a) the Market Value of the Vessel plus any additional cash already deposited into the Charterers' Earnings Account to restore the Value Maintenance Threshold pursuant to Clause 58.3.2(a); to

(b) the then current Default Termination Amount.

"**Value Maintenance Threshold**" means the ratio (expressed as a percentage) of one hundred and twenty per cent. (120%).

58.2 **[*Intentionally omitted*]**

58.3 **Value Maintenance Ratio**

58.3.1 The Owners may test the Value Maintenance Ratio on any Test Date in accordance with the methodology described in Clause 55.34 (*Valuation Report*).

58.3.2 If, after conducting testing the Value Maintenance Ratio on the relevant Test Date, the Owners determine that the Value Maintenance Ratio is less than the Value Maintenance Threshold (the said difference between that Market Value and that Default Termination Amount shall be referred to as the "**shortfall**" for the purposes of this Clause), then the Charterers shall, within 30 days of the Owners' receipt of the relevant Valuation Reports, undertake any of the following at the Charterers' option (but always subject to Owners' prior approval):

(a) provide, or ensure that a third party provides, additional security, which, in the opinion of the Owners has a net realisable value of an amount at least equal to the shortfall and is acceptable to the Owners, and which is documented in such terms as the Owners may require; or

(b) prepay to the Owners in the amount of the shortfall, to be applied by the Owners to reduce, to the extent of such amount, the Charterers' obligation to prepay such part of the Cost Balance on a pro rata basis across each payment of Fixed Hire (or, if no Fixed Hire is payable any more, to prepay such part of the Cost Balance) in the amount of the shortfall (it being understood and the Owners and the Charterers hereby agree and acknowledge that any amount prepaid in accordance with this Clause (b) shall, once so applied by the Owners, not be refundable in any circumstance whatsoever),

in each case for the purpose of and in order to restore the Value Maintenance Ratio to the Value Maintenance Threshold.

58.3.3 In connection with any additional security provided in accordance with Clause 58.3.2, the Owners shall be entitled to receive certified copies of such documents of the kind referred to in Clause 43 (*Conditions precedent and subsequent*) and such favourable opinions as the Owners shall in its absolute discretion required.

59 Termination Events

59.1 Each of the following events shall constitute a Termination Event.

59.1.1 **Failure to pay** An Obligor fails to pay any amount due from it under any Transaction Document to which it is a party at the time, in the currency and otherwise in the manner specified therein provided that, if such Obligor can demonstrate to the reasonable satisfaction of the Owners that all necessary instructions were given to effect such payment and the non-receipt thereof is attributable solely to an administrative or technical error or an error in the banking system or a Disruption Event, then such payment shall instead be deemed to be due, solely for the purposes of this Clause, within:

(a) five (5) Business Days of the date on which such amount actually fell due if it relates to a payment of Hire under this Charter; or

(b) five (5) Business Days of the date on which such amount actually fell due if it relates to any other sum which is payable under this Charter or any other relevant Transaction Document.

59.1.2 **Misrepresentation** Any representation or statement made or deemed to be made by an Obligor in any Transaction Document or any other document delivered by or on behalf of an Obligor under or in connection with any Transaction Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

59.1.3 **Specific covenants** An Obligor fails to perform or comply with Clauses 55.10 (*Business Ethics Law*), 55.18 (*Insurance*), 55.24 (*No borrowings*), 55.26 (*Negative pledge*), 55.30 (*Registration*).

59.1.4 **Other obligations** An Obligor fails to perform or comply with:

(a) Clause 57 (*Financial Covenants*), save that no Termination Event under this Clause will occur if the failure to comply is capable of remedy (to the extent that the Owners consider, in their absolution discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Owners within ten (10) Business Days after the earlier of (A) the Owners having given notice thereof to the relevant Obligor, and (B) any Obligor becoming aware of such failure to perform or comply; or

(b) any of the obligations expressed to be assumed by it in any Transaction Document (other than those referred to in Clause 59.1.3 (*Specific covenants*)), save that no Termination Event under this Clause will occur if the failure to comply is capable of remedy (to the extent that the Owners consider, in their absolution discretion, that such failure is capable of remedy) and is remedied to the satisfaction of the Owners within thirty (30) days after the earlier of (A) the Owners having given notice thereof to the relevant Obligor, and (B) any Obligor becoming aware of such failure to perform or comply (unless a short period is applicable in accordance with the Transaction Documents).

59.1.5 **Cross default**

(a) Any Financial Indebtedness of any Obligor is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).

(c) Any commitment for any Financial Indebtedness of any Obligor is cancelled or suspended by a creditor of any Obligor as a result of an event of default (however described).

(d) Any creditor of any Obligor becomes entitled to declare any Financial Indebtedness of any Obligor due and payable prior to its specified maturity as a result of an event of default or review event (however described).

No Termination Event will occur under this clause 59.1.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness in respect of the Charter Guarantor falling within paragraphs (a) to (d) above is less than twenty million USD Dollars (US$20,000,000) (or its equivalent in any other currency or currencies).

59.1.6 **Insolvency and rescheduling**

(a) Any Obligor or its Group is unable to pay its debts as they fall due, commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness which has or is reasonably likely to have a Material Adverse Effect or makes a general assignment for the benefit of its creditors or a composition with its creditors.

(b) The value of the assets of the Group is less than its liabilities (taking into account contingent and prospective liabilities).

(c) A moratorium is declared in respect of any indebtedness of any member of the Group.

59.1.7 **Winding-up** an Obligor or any member of its Group files for initiation of formal restructuring proceedings, is wound up or declared bankrupt or takes any corporate action or other steps (including any compulsory corporate rehabilitation mandated or ordered by any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute)) are taken or legal proceedings are started for its winding up, dissolution, administration or re organisation or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any or all of its revenues or assets or any moratorium is declared or sought in respect of any of its indebtedness.

59.1.8 **Execution or distress**

(a) an Obligor fails to comply with or pay any sum due from it (within thirty (30) days of such amount falling due) under any final judgment or any final order made or given by any court or other official body of a competent jurisdiction against which there is no right of appeal or if a right of appeal exists, where the time limit for making such appeal has expired; or

(b) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any part of, the property, undertaking or assets of an Obligor.

59.1.9 **Similar event** Any event occurs which, under the laws of any jurisdiction, has an analogous effect to any of those events mentioned in Clauses 59.1.6 (*Insolvency and rescheduling*), 59.1.7 (*Winding-up*) or 59.1.8 (*Execution or distress*).

59.1.10 **Repudiation** An Obligor repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any such Transaction Document.

59.1.11 **Validity and admissibility** At any time any act, condition or thing required to be done, fulfilled or performed in order:

(a) to enable any Obligor lawfully to enter into, exercise its rights under and perform the respective obligations expressed to be assumed by it in the Transaction Documents;

(b) to ensure that the obligations expressed to be assumed by each of the Obligors in the Transaction Documents are legal, valid and binding; or

(c) to make the Transaction Documents admissible in evidence in any applicable jurisdiction,

is not done, fulfilled or performed within thirty (30) days after notification from the Owners to the relevant Obligor requiring the same to be done, fulfilled or performed.

59.1.12 **Illegality** At any time:

(a) it is or becomes unlawful for any Obligor to perform or comply with any or all of its obligations under the Transaction Documents to which it is a party;

(b) any of the obligations of the Charterers under the Transaction Documents to which they are parties are not or cease to be legal, valid and binding; or

(c) any Encumbrance created or purported to be created by the Security Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to such Security Document (other than the Owners) to be ineffective,

and, in each case, such illegality is not remedied or mitigated to the satisfaction of the Owners within thirty (30) days after they have given notice thereof to the relevant Obligor.

59.1.13 **Material adverse change** At any time there shall occur any event or change which has a Material Adverse Effect.

59.1.14 **Conditions subsequent** The condition referred to in Clause 43.2 (*Conditions precedent and subsequent*) is not satisfied within the time period specified in that Clause or such other time period specified by the Owners in their discretion.

59.1.15 **Revocation or modification of consents etc.** Any Necessary Authorisation which is now or which at any time during the Charter Period becomes necessary to enable any of the Obligors to comply with any of their obligations in or pursuant to any of the Transaction Documents is revoked, withdrawn or withheld, or modified in a manner which the Owners reasonably considers is, or may be, prejudicial to the interests of Owners in a material manner, or if such Necessary Authorisation ceases to remain in full force and effect.

59.1.16 **Cessation of business** Any of the Obligors ceases, or threatens to cease, to carry on all or a substantial part of its business provided that it shall not be a Termination Event under this Clause 59.1.16 if such cessation of business is a direct result of a Total Loss of the Vessel or if the relevant Obligor is the Approved Manager and such Approved Manager is replaced in accordance with Clause 64.3 (*Appointment of and changes to the Approved Manager*) within 21 days of the earlier of (i) the Owners giving notice to an Obligor and (ii) an Obligor becoming aware of such event.

59.1.17 **Curtailment of business** The business of any of the Obligors is wholly or materially curtailed by any intervention by or under authority of any government, or if all or a substantial part of the undertaking, property or assets of any of the Obligors is seized, nationalised, expropriated or compulsorily acquired by or under authority of any government or any Obligor disposes or threatens to dispose of a substantial part of its business or assets.

59.1.18 **Reduction of capital** Any Obligor (except for the Charter Guarantor) reduces its committed or subscribed capital.

59.1.19 **Environmental matters**

(a) Any Environmental Claim is made against the Charterers or in connection with the Vessel, where such Environmental Claim is reasonably likely to have a Material Adverse Effect.

(b) Any actual Environmental Incident occurs in connection with the Vessel, where such Environmental Incident has a Material Adverse Effect.

59.1.20 **Loss of property** All or a substantial part of the business or assets of any Obligor is destroyed, abandoned, seized, appropriated or forfeited for any reason provided that a Total Loss of the Vessel shall not be a Termination Event under this Clause.

59.1.21 **Sanctions** Any Obligor does not comply with any of its undertakings referred to in Clause 55.11 (*Sanctions*) or any representations in Clause 54.1.25 (*Sanctions*) is or proves to have been incorrect or misleading in any material respects when made or deemed to be made.

59.1.22 **Arrest** The Vessel is arrested or seized for any reason whatsoever (other than caused solely and directly by any action or omission from the Owners) unless the Vessel is released and returned to the possession of the Charterers within 60 days of such arrest or seizure.

59.1.23 **Change of Control** A Change of Control occurs without the prior written consent of the Owners.

59.1.24 **Termination, repudiation or cancellation of Sub-Charter or Sub-Charter Guarantee on or before the Actual Delivery Date** Any Sub-Charter or Sub-Charter Guarantee is terminated, repudiated, cancelled or otherwise ceases to remain in full force and effect on or before the Actual Delivery Date, irrespective of whether the relevant termination, repudiation, cancellation or cessation of effectiveness is, in the opinion of the Owners, due to any default, act or omission on the part of the Charterers.

59.1.25 **Termination, repudiation or cancellation of Sub-Charter or Sub-Charter Guarantee after the Actual Delivery Date** Any Sub-Charter or Sub-Charter Guarantee is terminated, repudiated, cancelled or otherwise ceases to remain in full force and effect after the Actual Delivery Date, **provided that** no Termination Event will occur under this Clause 59.1.25 if such Sub-Charter is replaced by another time charter in respect of the Vessel (on terms reasonably acceptable to the Owners) entered into between the Charterers (as disponent owner) and a sub-charterer acceptable to the Owners and the rights of the Charterers under the replacement time charter are assigned to the Owners (to the Owners' satisfaction) within:

(a) (if the relevant termination, repudiation, cancellation or cessation of effectiveness is, in the opinion of the Owners, due to any default, act or omission on the part of the Charterers) thirty (30) days of such termination, repudiation, cancellation or cessation of effectiveness (as applicable).

(b) (if the relevant termination, repudiation, cancellation or cessation of effectiveness is not, in the opinion of the Owners, due to any default, act or omission on the part of the Charterers) six (6) calendar months of such termination, repudiation, cancellation or cessation of effectiveness (as applicable).

59.1.26 **Termination or cancellation of other Project Documents**

(a) Any Project Document (other than a Sub-Charter, to which Clauses 59.1.24 (*Termination, repudiation or cancellation of Sub-Charter before the Actual Delivery Date*) and 59.1.25 (Termination, repudiation or cancellation of Sub-Charter after the Actual Delivery Date) shall apply) is terminated, cancelled or otherwise ceases to remain in full force and effect.

(b) Without limiting the generality of Clause (a) above, any such event or circumstance has occurred such that the Charterers (in their capacities as original buyers under the Building Contract) have become entitled to exercise their rights to cancel, terminate or rescind the Building Contract (irrespective of whether the Charterers have exercised such right).

59.1.27 **Similar event in relation to Builder** Any event which, under the laws of any jurisdiction, has a similar or analogous effect to any of those events mentioned in Clauses 59.1.6 (*Insolvency and rescheduling*), 59.1.7 (*Winding-up*) or 59.1.8 (Execution or distress) above occurs (mutatis mutandis) in relation to the Builder provided that it shall not be a Termination Event under this Clause 59.1.27 if, during the period an event which, under the laws of any jurisdiction, has a similar or analogous effect to any of those events mentioned in Clauses 59.1.6 (*Insolvency and rescheduling*), 59.1.7 (*Winding-up*) or 59.1.8 (Execution or distress) above has occurred (mutatis mutandis) in relation to the Builder and the Builder continues to perform its obligations under Building Contract to the Owners' satisfaction (acting reasonably).

59.1.28 **Judgments** Any judgment or order of a court, arbitral tribunal or other tribunal or any order or sanction of any governmental or other regulatory body is made against an Obligor or its assets which has a Material Adverse Effect.

59.1.29 **Merger** The Charterers or the Charter Guarantor enter into any major asset reorganisation, amalgamation, demerger, merger, consolidation or corporate reconstruction without the prior written consent of the Owners except in the case of the Charter Guarantor, where the Charter Guarantor is the surviving entity.

59.1.30 **Termination Event under Collateral Charter** A "Termination Event" (as such term is defined under a Collateral Charter) occurs or any termination event (howsoever described) occurs under any Collateral Charter, save for the occurrence of any "Termination Event" under any of the Collateral Charters prior to the Actual Delivery Date.

59.1.31 **Litigation** Any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body, arbitral tribunal or agency are started, or any judgment or order of a court, arbitral body, arbitral tribunal, agency or other tribunal or any order or sanction of any governmental or other regulatory body is made, in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against an Obligor or its assets which have, or has, or are, or is, if adversely determined has or is likely to have a Material Adverse Effect.

59.1.32 Sub-Time Charter A Sub-Time Charter Termination Event occurs.

59.2 **Effect of a Termination Event** On and at any time after the occurrence of a Termination Event which is continuing the Owners may terminate this Charter and/or exercise all or any of the remedies set out below in this Clause 59.

59.3 **Owners' options after occurrence of a Termination Event** On or at any time after the occurrence of a Termination Event which is continuing, the Owners may at their option:

59.3.1 and by delivering to the Charterers a Termination Notice, terminate this Charter with immediate effect or on the date specified in such Termination Notice and withdraw the Vessel from the service of the Charterers without noting any protest and without interference by any court or any other formality whatsoever, 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 in accordance with Clauses 49 (*Redelivery*) and 50 (*Redelivery conditions*);

59.3.2 apply any amount then standing to the credit of each of the Earnings Accounts against any Unpaid Sum or such other amounts which the Owners or other Obligors may owe under the Transaction Documents; and/or

59.3.3 enforce any Encumbrance created pursuant to the relevant Transaction Documents.

59.4 **Payment of Default Termination Amount** On the Termination Payment Date in respect of any Termination in accordance with Clause 59.3 (*Owners' options after occurrence of a Termination Event*), the Charterers shall pay to the Owners an amount equal to the Default Termination Amount.

59.5 **Owners' application of Default Termination Amount** Following any termination to which this Clause 59 applies, all sums payable in accordance with Clause 59.4 (*Payment of Default Termination Amount*) or received pursuant to Clause 59.3 (*Owners' options after occurrence of a Termination Event*) or any other provision of this Clause 59 shall be paid to such account or accounts as the Owners may direct and shall be applied in accordance with Clause 52 (*Application of proceeds*).

59.6 **Transfer of title** If the chartering of the Vessel or, as the case may be, the obligation of the Owners to deliver and charter the Vessel to the Charterers is terminated in accordance with the terms of this Charter, the obligation of the Charterers to pay Hire shall cease once the Charterers have made the payment pursuant to Clause 59.4 (*Payment of Default Termination Amount*) to the satisfaction of the Owners, whereupon the Owners shall transfer title to the Vessel to the Charterers (or its nominee) in accordance with and subject to Clauses 62.4 to (*Transfer of title*).

59.7 **Owners' rights reserved** Without prejudice to the forgoing or to any other rights of the Owners under the Charter, at any time after a Termination Notice is served under Clause 59.3 (*Owners' options after occurrence of a Termination Event*), the Owners may, acting in their sole discretion without prejudice to the Charterers' obligations under Clause 50 (*Redelivery conditions*), retake possession of the Vessel and, the Charterers agree that the Owners, for such 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 as well as giving instructions to the Charterers' servants or agents for this purpose, provided that the Owners shall not be entitled to exercise their rights under this Clause if the Charterers have made the payment pursuant to Clause 59.4 (*Payment of Default Termination Amount*) to the satisfaction of the Owners and the Owners have transferred title to the Vessel to the Charterers (or its nominee) in accordance with Clauses 62.4 to 62.6 (*Transfer of title*).

59.8 **Owners' right to sell the Vessel** Following any termination to which this Clause 59 applies, if the Charterers have not paid to the Owners the Default Termination Amount by the applicable Termination Payment Date (and consequently the Owners have not transferred title to the Vessel to the Charterers (or its nominee) in accordance with Clause 59.6 (*Transfer of title*)), the Owners shall be entitled (but not obliged) to sell the Vessel and apply the relevant Net Sale Proceeds against the Default Termination Amount and claim from the Charterers for any shortfall.

59.9 **Charterers' obligation to pay the Default Termination Amount unaffected** The Charterers' obligation to pay the Default Termination Amount (and any of their other obligations under the Transaction Documents) shall remain in full force and effect irrespective of whether Owners complete the sale of the Vessel referred to in Clause 59.8 (*Owners' right to sell the Vessel*). Without prejudice to the foregoing, if the Net Sale Proceeds reduce the applicable Default Termination Amount to zero, the Charterers shall not be obliged to pay the Default Termination Amount.

59.10 **Charterers have no right to terminate** Save as otherwise expressly provided in this Charter, the Charterers shall not have the right to terminate this Charter any time prior to the expiration of the Charter Period for any reason whatsoever, including (without limitation) in exercise of any right in law or equity that they would, but for this provision, have to terminate, whether because of a breach of a condition, a repudiatory breach of an intermediate term, a renunciation or impossibility or on any other ground.

59.11 **Cumulative rights** The rights conferred upon the Owners by the provisions of this Clause 59 are cumulative and in addition to any rights which they may otherwise have in law or in equity or by virtue of the provisions of this Charter.

60 Sub-chartering and assignment

60.1 The Charterers shall not without the prior written consent of the Owners:

60.1.1 let the Vessel on demise charter for any period;

60.1.2 de-activate or lay up the Vessel;

60.1.3 assign their rights under this Charter.

60.2 The Charterers acknowledge that the Owners' consent to any sub-bareboat chartering may be subject (amongst other things) to the Owners being satisfied as to the intended flag during such sub-bareboat chartering.

60.3 Without prejudice to anything contained in this Clause 60, save as provided and permitted under the Transaction Documents, the Charterers shall not enter into any sub-charter for the Vessel other than the Initial Sub-Charter and the Sub-Time Charter.

60.4 The Owners may assign, transfer and/or novate all or any of their rights and obligations under any of the Transaction Documents (or ownership in the Owners) without the prior consent of the Charterers or any other Obligors, and the Charterers or other Obligors shall execute such documents and do all such things as the Owners may require to facilitate and/or effect such assignment, transfer or novation by the Owner. The Charterers and the other Obligors shall permit any disclosure by the Owners of the Transaction Documents and the terms and conditions thereunder to any potential financiers, transferees or assignees and their respective advisers or agents as the Owners may deem necessary to facilitate any such transfer, assignment or novation. Any costs associated with the novation or assignment of the Transaction Documents to an Affiliate of the Owners incorporated in Hong Kong or such other jurisdiction acceptable to the Parties shall, provided that no Termination Event has occurred and is continuing, not be for the Charterers' account.

61 Name of Vessel

61.1 The Charterers may:

61.1.1 choose the initial name of the Vessel, but may only change the initial name of the Vessel with the prior consent of the Owners, not to be unreasonably withheld; and

61.1.2 paint the Vessel in the colours, display the funnel insignia and fly the house flag as required by the Charterers from time to time,

provided that at redelivery of the Vessel in accordance with Clause 49.1 (Redelivery), the Charterers shall, at the request of the Owners and at the Charterers' cost, restore the Vessel to her original name, colours, funnel insignia and house flag.

62 Early Termination, purchase option, purchase obligation and transfer of title

62.1 **Early Termination – Charterers' purchase option**

62.1.1 The Charterers may, at any time on or after Actual Delivery Date, notify the Owners by serving an irrevocable Termination Notice of the Charterers' intention to terminate this Charter and purchase the Vessel from the Owners on a Purchase Option Date for the applicable Purchase Option Price, provided that:

(a) no Total Loss has occurred under Clause 63 (*Total Loss*);

(b) no Potential Termination Event or Termination Event is continuing or would occur as a result of such early termination;

(c) there must be a period of at least thirty (30) days between the date on which the Termination Notice is served and the proposed Purchase Option Date.

62.1.2 In exchange for payment of the Purchase Option Price on the Purchase Option Date, the Owners shall arrange for title of the Vessel to be transferred to the Charterers in accordance with Clauses 62.4 to 62.6 (*Transfer of title*).

62.2 **Early Termination – Illegality of Owners**

62.2.1 If it becomes unlawful or it is prohibited for the Owners to charter the Vessel pursuant to this Charter and, to the extent that the law permits the Owners to notify the Charterers of the relevant event, the Charterers and the Owners fail to agree an alternative having negotiated in good faith for a period of thirty (30) days (or such longer period as may be agreed by the Owners) after the Owners have given notice to the Charterers of the relevant event, then the Owners may, at their option and by delivering to the Charterers a Termination Notice, terminate this Charter on the date specified in such Termination Notice, and, subject to the Early Termination Amount not being paid by the Charterers and received by the Owners in accordance with Clause 62.2.3 below, withdraw the Vessel from the service of the Charterers without noting any protest and without interference by any court or any other formality whatsoever, 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 in accordance with Clauses 49 (*Redelivery*) and 50 (*Redelivery conditions*).

62.2.2 On or at any time after a Termination in accordance with Clause 62.2.1, and subject to the Early Termination Amount not being paid by the Charterers and received by the Owners in accordance with Clause 62.2.3 below, the Owners may (but without prejudice to the Charterers' obligations under Clause 50 (*Redelivery conditions*)) retake possession of the Vessel and, the Charterers agree that the Owners, for such 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 as well as giving instructions to the Charterers' servants or agents for this purpose.

62.2.3 On the Termination Payment Date in respect of any termination of the chartering of the Vessel under this Charter in accordance with Clause 62.2.1, the Charterers shall pay to the Owners an amount equal to the Early Termination Amount.

62.2.4 Following any termination to which Clause 62.2.1 applies, all sums payable in accordance with Clause 62.2.3 shall be paid to such account or accounts as the Owners may direct and shall be applied in accordance with Clause 52 (*Application of proceeds*).

62.2.5 At any time on or after the Actual Delivery Date and after the Vessel has been delivered by the Sellers to the Owners in accordance with the MOA and subsequently delivered by the Owners to the Charterers in accordance with this Charter, if the chartering of the Vessel is terminated in accordance with Clause 62.2.1, the obligation of the Charterers to pay Hire shall cease once the Charterers have made the payment pursuant to Clause 62.2.3 to the satisfaction of the Owners, whereupon the Owners shall, in exchange of such payment, arrange for title of the Vessel to be transferred to the Charterers in accordance with Clauses 62.4 to 62.6 (*Transfer of title*).

62.3 **Purchase obligation**

62.3.1 Subject to the other provisions of this Charter, the Charterers shall be obliged to purchase the Vessel or cause their nominee to purchase the Vessel upon the expiration of the Charter Period by payment of the Purchase Obligation Price.

62.3.2 In the event that the final MOA Purchase Price payable under the MOA is lower than US$43,950,000 (the "**Estimated Purchase Price**"), the Owners shall adjust the Balloon Amount and all payments of Fixed Hire on a pro rata basis using the same methods as were used by the Owners in originally calculating the amount except as modified to the extent necessary to account for the final MOA Purchase Price being lower than the Estimated Purchase Price. As soon as practicable on or after the Actual Delivery Date, the Owners shall deliver to the charterers a new Schedule 3, which save for manifest error shall be final and binding on the parties and shall replace Schedule 3 attached to this Charter as at the date of this Charter. The Charterers shall (and shall procure that each Obligor shall) countersign such new Schedule 3 as may be delivered by the Owners pursuant to this clause, but each Obligor agrees that failure to provide such countersignature shall not prejudice the final and binding nature of the replacement of such new Schedule 3.

62.4 **Transfer of title**

In exchange for the full payment of:

62.4.1 The Purchase Obligation Price (in the case of the circumstances described in Clause 62.3 (*Purchase obligation*)) or the Default Termination Amount (in the case of the circumstances described in Clauses 59.4 (*Payment of Default Termination Amount*)) or the Early Termination Amount (in the case of the circumstances described in Clause 62.2 (*Early Termination – Illegality of Owners*)) or the Purchase Option Price (in the case of the circumstances described in 62.1 (*Early Termination – Charterers' purchase option*)); and

62.4.2 all sums due but unpaid to the Owners under the Transaction Documents and subject to compliance with the other conditions set out in this Clause,

the Owners shall:

62.4.3 transfer title to and ownership of the Vessel to the Charterers (or their nominee) by delivering to the Charterers (in each case at the Charterers' costs):

(a) a duly executed and notarised, legalised and/or apostilled (as applicable) bill of sale; and

(b) the Title Re-transfer PDA; and

62.4.4 to procure the deletion of any mortgage or prior Encumbrance created by the Owners in relation to the Vessel at the Charterers' cost,

provided always that prior to such transfer or deletion (as the case may be), (i) the Charterers shall have performed all their obligations in connection herewith and with the Vessel, including without limitation the full payment of all Unpaid Sums, taxes, charges, duties, costs and disbursements (including legal fees) in relation to the Vessel and (ii) if a Termination Event has occurred and is continuing on or prior to the proposed Purchase Option Date or the Termination Payment Date (as the case may be), the Owners may in its absolute discretion, elect not to proceed with the transfer of title and ownership of the Vessel pursuant to this 62.4 (*Transfer of title*) notwithstanding that the conditions under Clause 62.1 (*Early Termination – Charterers' purchase option*) have been fulfilled by the Charterers.

62.5 The transfer in accordance with Clause 62.4 (*Transfer of title*) shall be made in all respects at the Charterers' expense on an "as is, where is" basis, whether or not subject to any sub-charters at that time and the Owners shall give the Charterers (or their nominee) no representations, warranties (other than a warranty that the Vessel shall be free from all Encumbrances created by the Owners), agreements or guarantees whatsoever concerning or in connection with the Vessel, the Insurances, the Vessel's condition, state or class or anything related to the Vessel, expressed or implied, statutory or otherwise. For the avoidance of doubt:

62.5.1 the Charter Period shall terminate forthwith upon the completion of the transfer in accordance with Clause 62.4 (*Transfer of title*) and any obligations of the Obligors shall also cease to apply, save for the indemnities provided under clause 67 (*Further indemnities*) and any other obligations expressly provided to continue after the termination of the Charter Period; and

62.5.2 notwithstanding any provision of this Charter, the terms of Clauses 39, 42.5, 47.17.1, 48, 55 (including but not limited to Cl 55.11 and 55.33), 56.1, 59.1.15 and 59.10, shall continue to apply until the date on which the transfer in accordance with Clause 62.4 (*Transfer of title*) is completed, if such date is later than the expiry of the Charter Period.

62.6 The Owners shall at the Charterers' cost ensure that a bill of sale referred to in Clause 62.4 (*Transfer of title*) will be prescribed and executed in a form recordable in the Charterers' nominated flag state.

63 Total Loss

63.1 If circumstances exist giving rise to a Total Loss, the Charterers shall promptly notify the Owners of the facts of such Total Loss. Without prejudice to the obligations of the Charterers to pay to the Owners all monies then due or thereafter to become due under this Charter, if the Vessel shall become a Total Loss during the Charter Period, the Charter Period shall end on the Settlement Date.

63.2 If the Vessel becomes a Total Loss during the Charter Period, the Charterers shall, on the Settlement Date, pay to the Owners an amount equal to the Early Termination Amount as at the Settlement Date.

63.3 The obligations of the Charterers under Clause 63.2 shall apply regardless of whether or not any moneys are payable under any Insurances in respect of the Vessel, regardless of the amount payable thereunder, regardless of the cause of the Total Loss and regardless of whether or not any of the said compensation shall become payable.

63.4 All Total Loss Proceeds shall be paid to such account or accounts as the Owners may direct and shall be applied in accordance with Clause 52 (*Application of proceeds*).

63.5 The Charterers shall, at the Owners' request, provide satisfactory evidence, in the reasonable opinion of the Owners, as to the date on which the constructive total loss of the Vessel occurred pursuant to the definition of Total Loss.

63.6 The Charterers shall continue to pay Hire on the days and in the amounts required under this Charter notwithstanding that the Vessel shall become a Total Loss provided always that no further instalments of Hire shall become due and payable after the Charterers have made the payment required by Clause 63.2.

64 Appointment of and changes to the manager

64.1 Subject to the other provisions of this Charter, the Owners confirm their consent to the appointment by the Charterers of the persons referred to in the definition of "Approved Manager" as the managers of the Vessel, it being understood that each such appointment shall take effect on or before the Actual Delivery Date.

64.2 The Charterers covenant not to (and procure that each Obligor will covenant not to) permit any sub-contracting by any Approved Manager (unless such Approved Manager provide a Manager's Undertaking prior to any such sub-contracting) or amend any material term of any Management Agreement that will result in a Material Adverse Effect.

64.3 There shall not be any change to the Approved Manager without the Owners' prior written consent unless:

64.3.1 the Charterers notify the Owners in writing at least fourteen (14) days prior to the proposed change;

64.3.2 the replacement manager falls under the definition of "Approved Manager";

64.3.3 the Owners have received all of the following documents and other evidence in form and substance satisfactory to the Owners prior to the change:

(a) a copy of the Management Agreement made or to be made between the Charterers and the replacement manager on such terms that are substantially the same as, or more favourable to the Charterers than, the original Management Agreement delivered by the Charterers to the Owners pursuant to Clause 43 (*Conditions precedent and conditions subsequent*) or otherwise in form and substance satisfactory to the Owners;

(b) an original of the Manager's Undertaking duly executed by the replacement manager, together with all documents required by it including, without limitation, the notice of assignment;

(c) in respect of the replacement manager and/or the Manager's Undertaking, the documents referred to in:

(i) paragraphs 1 (*Obligors*) and 4.4 (*"Know your customer" documents*) of Part I of schedule 1 to the MOA (*Conditions precedent and subsequent*);

(ii) paragraph 2.3.2 (*Document of Compliance*), 7 (*Other Authorisations*), 8 (*Legal opinions*) and 10 (*Process agent*) of Part III of schedule 1 to the MOA (*Conditions precedent and subsequent*);

64.3.4 within ten Business Days of the date of the Manager's Undertaking, the Owners have received the letter of undertaking as described in paragraph 3 of Part III of schedule 1 to the MOA (*Conditions precedent and subsequent*).

64.4 Without prejudice to the foregoing, the Owners shall be entitled, but without obligation, to replace the Approved Managers with such other ship management company at the Charterers' costs upon the occurrence of a Termination Event which is continuing.

65 Fees and expenses

65.1 The Charterers shall bear all costs, fees (including legal fees) and disbursements incurred by the Owners and the Charterers in connection with:

65.1.1 the negotiation, preparation and execution of this Charter, the other Transaction Documents and the Finance Documents, including, without limitation, to any amendment, supplement or modification thereof or thereto requested by the Charterers;

65.1.2 the delivery of the Vessel under the MOA and this Charter;

65.1.3 preparation or procurement of any survey, Valuation Report, tax or insurance advice;

65.1.4 all legal fees and other expenses arising out of or in connection with the default termination, early termination or purchase obligation pursuant to Clause 62 (*Early Termination, purchase obligation and transfer of title*); and

65.1.5 such other activities relevant to the transaction contemplated herein.

65.2 The Owners shall not be liable for any costs of supervision of construction of the Vessel under the Building Contract nor any agency, stocking up cost, buyer's supplied items or equivalent each of which shall be the responsibility, or for the account, of the Seller or the Charterers.

66 Stamp duties and taxes

66.1 The Charterers shall pay promptly all stamp, documentary or other like duties and taxes to which the Charter, the MOA and the other Transaction Documents may be subject or give rise and shall indemnify the Owners on demand against any and all liabilities with respect to or resulting from any delay on the part of the Charterers to pay such duties or taxes.

66.2 All payments by the Charterers under any Transaction Document to which it is party shall be made without any set-off or counterclaim whatsoever and free and clear of and without withholding or deduction for, or on account of, any present or future Taxes other than a FATCA Deduction.

66.3 If the Charterers are required to make any withholding or deduction from any payment under this Charter other than a FATCA Deduction, the sum due from the Charterers in respect of such payment will be increased to the extent necessary to ensure that, after making such withholding or deduction, the Owners receive a net sum equal to the amount which they would have received had no such withholding or deduction been required to be made.

66.4 The Charterers shall promptly deliver to the Owners any receipts, certificates or other proof evidencing the amounts, if any, paid or payable in respect of any such withholding or deduction.

66.5 All amounts set out or expressed in a Transaction Document to be payable to the Owners which constitute the consideration for any supply for Indirect Tax purposes shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by the Owners to the Charterers in connection with a Transaction Document, the Charterers shall pay to the Owners an amount equal to the amount of the Indirect Tax (in addition to and at the same time as paying any other consideration for such supply).

66.6 Where a Transaction Document requires Charterers to reimburse or indemnify the Owners for any costs or expenses, the Charterers shall also at the same time reimburse or indemnify (as the case may be) the Owners against all Indirect Tax incurred by the Owners in respect of the costs or expenses save to the extent the Owners reasonably determine that they are entitled to credit or repayment in respect of the Indirect Tax from the relevant tax authority.

67 Further indemnities

67.1 Whether or not any of the transactions contemplated hereby are consummated, the Charterers shall, in addition to the provisions under Clause 22 (*Indemnity*) of this Charter, indemnify, protect, defend and hold harmless the Owners from the date of this Charter until the end of the period stated in Clause 67.3 below from, against and in respect of, any and all liabilities, obligations, losses, damages, penalties, fines, fees, claims, actions, proceedings, judgement, order or other sanction, lien, salvage, general average, suits, costs, expenses and disbursements, including legal fees and expenses, of whatsoever kind and nature, imposed on, suffered or incurred by or asserted against the Owners, in any way relating to, resulting from or arising out of or in connection with, in each case, directly or indirectly, any one or more of the following:

67.1.1 the Vessel or any part thereof, including with respect to:

(a) the ownership of, manufacture, design, possession, use or non-use, operation, maintenance, testing, repair, overhaul, condition, alteration, modification, addition, improvement, storage, seaworthiness, replacement, repair of the Vessel or any part (including, in each case, latent or other defects, whether or not discoverable and any claim for patent, trademark, or copyright infringement and all liabilities, obligations, losses, damages and claims in any way relating to or arising out of spillage of cargo or fuel, out of injury to persons, properties or the environment or strict liability in tort);

(b) any claim or penalty arising out of violations of applicable law by the Charterers or any Sub-Charterers or any Sub-Charter Guarantors;

(c) death or property damage of shippers or others;

(d) any liens in respect of the Vessel or any part thereof (save for those in favour of the Finance Parties or otherwise created by the Owners); or

(e) any registration and/or tonnage fees (whether periodic or not) in respect of the Vessel payable to any registry of ships and any service fees payable to any service provider in relation to maintaining such registration at any registry of ships;

67.1.2 any breach of or failure to perform or observe, or any other non-compliance with, any covenant or agreement or other obligation to be performed by the Charterers under any Transaction Document to which they are a party or the falsity of any representation or warranty of the Charterers in any Transaction Document to which they are a party or the occurrence of any Potential MOA Termination Event, Potential Termination Event, MOA Termination Event or Termination Event;

67.1.3 in connection with:

(a) preventing or attempting to prevent the arrest, confiscation, seizure, taking and execution, requisition, impounding, forfeiture or detention of the Vessel; or

(b) in securing or attempting to secure the release of the Vessel, in each case in connection with the exercise of the rights of a holder of a lien created by the Charterers;

67.1.4 incurred or suffered by the Owners:

(a) in procuring the delivery of the Vessel to the Charterers under Clause 42 (*Pre-delivery and delivery*);

(b) in recovering possession of the Vessel following termination of this Charter under Clause 59 (*Termination Events*) or earlier termination of this Charter under Clause 62 (*Early Termination, purchase obligation and transfer of title*);

(c) in arranging for a transfer of the title of the Vessel in accordance with Clauses 62.4 to 62.6 (*Transfer of title*); or

(d) in connection with the registration of the Vessel at any registry of ships;

67.1.5 arising from the Master or officers of the Vessel or the Charterers' agents signing bills of lading or other documents;

67.1.6 in connection with:

(a) the arrest, seizure, taking into custody or other detention by any court or other tribunal or by any governmental entity or any piracy-related loss; or

(b) subjection to distress by reason of any process, claim, exercise of any rights conferred by a lien or by any other action whatsoever,

of the Vessel which are expended, suffered or incurred as a result of or in connection with any claim or against, or liability of, the Charterers, any Approved Manager or any other member of the Group, together with any costs and expenses or other outgoings which may be paid or incurred by the Owners in releasing the Vessel from any such arrest, seizure, custody, detention or distress; and

67.1.7 in connection with any published rate replacement language or mechanics, or any change arising as a result of an amendment required under Clause 47.13 (*Published Rate Replacement Event*).

67.2 The Charterers shall pay to the Owners promptly on the Owners' written demand the amount of all costs and expenses (including legal fees) incurred by the Owners in connection with the enforcement of, or the preservation of any rights under, any Transaction Document including (without limitation) (i) any losses, costs and expenses which the Owners may from time to time sustain, incur or become liable for by reason of the Owners being deemed by any court or authority to be an operator, or in any way concerned in the operation, of the Vessel and (ii) collecting and recovering the proceeds of any claim under any of the Insurances.

67.3 Without prejudice to any right to damages or other claim which either party may, at any time, have against the other hereunder, it is hereby agreed and declared that the indemnities of the Owners by the Charterers contained in this Charter shall continue in full force and effect for a period of twenty four (24) months after the later of (i) the date when the title of the Vessel is transferred to the Charterers in accordance with Clauses 62.4 to 62.6 (*Transfer of title*) and (ii) the date the Purchase Obligation Price, the Purchase Option Price, the Default Termination Amount or the Early Termination Amount (as applicable) is paid in full to the Owners' satisfaction.

68 Set-off

The Owners may set off any matured obligation due from the Charterers under the Transaction Documents (to the extent beneficially owned by the Owners) against any obligation (whether matured or not) owed by the Owners to the Charterers, regardless of the place of payment or currency of either obligation. If the obligations are in different currencies, the Owners may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

69 Further assurances and undertakings

Each party shall make all applications and execute all other documents and do all other acts and things as may be necessary to implement and to carry out their obligations under, and the intent of, this Charter.

70 Cumulative rights

The rights, powers and remedies provided in this Charter are cumulative and not exclusive of any rights, powers or remedies at law or in equity unless specifically otherwise stated.

71 Day count convention

Any interest, commission or fee accruing under a Transaction Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in the case where the practice in the Relevant Market differs, in accordance with that market practice.

72 No waiver

No delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this Charter will operate as a waiver. No waiver of any breach of any provision of this Charter will be effective unless that waiver is in writing and accepted by the party against whom that waiver is claimed. No waiver of any breach will be, or be deemed to be, a waiver of any other or subsequent breach.

73 Entire agreement

73.1 This Charter contains all the understandings and agreements of whatsoever kind and nature existing between the parties in respect of this Charter, the rights, interests, undertakings agreements and obligations of the parties to this Charter and shall supersede all previous and contemporaneous negotiations and agreements but shall be read in conjunction with the MOA.

73.2 This Charter may not be amended, altered or modified except by a written instrument executed by each of the parties to this Charter.

74 Invalidity

If any term or provision of this Charter or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable the remainder of this Charter or application of such term or provision to persons or circumstances (other than those as to which it is already invalid or unenforceable) shall (to the extent that such invalidity or unenforceability does not materially affect the operation of this Charter) not be affected thereby and each term and provision of this Charter shall be valid and be enforceable to the fullest extent permitted by law.

75 English language

All notices, communications and financial statements and reports under or in connection with this Charter and the other Transaction Documents shall be in English language or, if in any other language, shall be accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

76 No partnership

Nothing in this Charter creates, constitutes or evidences any partnership, joint venture, agency, trust or employer/employee relationship between the parties, and neither party may make, or allow to be made any representation that any such relationship exists between the parties. Neither party shall have the authority to act for, or incur any obligation on behalf of, the other party, except as expressly provided in this Charter.

77 Notices

77.1 Any notices to be given to the Owners under this Charter shall be sent in writing by registered letter, facsimile or email and addressed to:

海津八号 (天津)租赁有限公司 (HAIJIN NO. 8 (TIANJIN) LEASING CO., LIMITED)

Address: c/o
ICBC Financial Leasing Co., Ltd.
16-19/F, Building 5, Yuetan Center
1 Yuetan South Street
Xicheng District, Beijing 100045
China

Email: anjingshu@leasing.icbc.com.cn; zhangyichi@leasing.icbc.com.cn; xuguangpeng@leasing.icbc.com.cn; saijianan@leasing.icbc.com.cn

Attention: Ms. An Jingshu; Mr. Zhang Yichi; Mr. Xu Guangpeng; Mr. Simon Sai

or to such other address, facsimile number or email address as the Owners may notify to the Charterers in accordance with this Clause 77.

77.2 Any notices to be given to the Charterers under this Charter shall be sent in writing by registered letter, facsimile or email and addressed to:

MAKRI SHIPPING CORPORATION

Address: c/o Navios Shipmanagement Inc.
85 Akti Miaouli
Piraeus 185 38
Greece

Fax No.: +30 210 4172070

Email: vpapaefthymiou@navios.com; legal_corp@navios.com

Attention: Ms. Villy Papaefthymiou

or to such other address or email address as the Charterers may notify to the Owners in accordance with this Clause 77.

77.3 Any such notice shall be deemed to have reached the party to whom it was addressed, when dispatched and acknowledged received (in case of a facsimile or an email) or when delivered (in case of a registered letter). A notice or other such communication received on a non-working day or after 5:00 pm in the place of receipt shall be deemed to be served on the following day in such place.

78 Conflicts

Unless stated otherwise, in the event of there being any conflict between the provisions of Clauses 1 (*Definitions*) (Part II) to 31 (*Notices*) (Part II) and the provisions of Clauses 39 (*Definitions*) to 84 (*FATCA*), the provisions of Clauses 39 (*Definitions*) to 84 (*FATCA*) shall prevail.

79 Survival of obligations

The termination of this Charter for any cause whatsoever shall not affect the right of the Owners to recover from the Charterers any money due to the Owners on or before the termination in consequence thereof and all other rights of the Owners (including but not limited to any rights, benefits or indemnities which are expressly provided to continue after the termination of this Charter) are reserved hereunder. Without prejudice to the foregoing, the Owners shall, to the extent the title has not already been transferred pursuant to Clauses 62.4 to 62.6(*Transfer of title*), upon receipt of the Default Termination Amount, the Early Termination Amount, the Purchase Option

Price or the Purchase Obligation Price (as the case may be) which has been paid in full in accordance with Clause 62 (*Early Termination, purchase obligation and transfer of title*), arrange for title of the Vessel to be transferred to the Charterers in accordance with Clauses 62.4 to 62.6 (*Transfer of title*).

80 Counterparts

This Charter may be executed in any number of counterparts and any single counterpart or set of counterparts signed, in either case, by the Parties shall be deemed to constitute a full and original agreement for all purposes.

81 Confidentiality

81.1 The Parties shall maintain the information provided in connection with the Transaction Documents strictly confidential and agree to disclose to no person other than:

81.1.1 its board of directors, employees (only on a need to know basis), and shareholders, professional advisors (including the legal and accounting advisors and auditors) and rating agencies;

81.1.2 in the case where it is required to be disclosed under the applicable laws of any relevant jurisdiction, by a governmental order, decree, regulation or rule, by an order of a court, tribunal or listing exchange of the Relevant Jurisdiction (including but not limited to an order by the US Securities and Exchange Commission or the New York Stock Exchange), provided that the disclosing Party shall give written notice of such required disclosure to the other Party prior to the disclosure (in respect of the Charter Guarantor only, unless such information has already been filed or recorded and available on the public domain);

81.1.3 in the case of the Owners, (a) to any Permitted Party, any Finance Party or other actual or potential financier providing funding for the acquisition or refinancing of the Vessel (provided the same have entered into similar confidentiality arrangements), (b) to professional advisers, auditors, insurers or insurance brokers and service providers of the Permitted Parties who are under a duty of confidentiality to the Permitted Parties and (c) as required by any law or any government, quasi-government, administrative, regulatory or supervisory body or authority, court or tribunal with jurisdiction over any of the Permitted Parties;

81.1.4 in the case of the Charterers, to any Sub-Charterers (but subject always to Clause 81.2) in respect of obtaining any consent required under the terms of any relevant Sub-Charter; and

81.1.5 the Builder, any Approved Managers, the classification society and flag authorities, in each case as may be necessary in connection with the transactions contemplated hereunder.

81.2 Any other disclosure by each Party shall be subject to the prior written consent of the other Party, provided that the Charterers may disclose any information provided in connection with the Transaction Documents to their sub-contractors and any Sub- Charterers, in each case subject to the procurement of a confidentiality undertaking (in form and substance satisfactory to the Owners) from such sub-contractor or Sub-Charterers.

82 Third Parties Act

82.1 A person who is not a party to this Charter has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Charter.

83 Waiver of immunity

83.1 To the extent that the Charterers may in any jurisdiction claim for themselves or their assets or revenues immunity from any proceedings, suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Charterers or their assets or revenues, the Charterers agree not to claim and irrevocably waive such immunity to the full extent permitted by the laws of such jurisdiction.

83.2 The Charterers consent generally in respect of any proceedings to the giving of any relief and the issue of any process in connection with such proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such proceedings. The Charterers agree that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of such Act.

84 FATCA

84.1 For the purpose of this Clause 84, the following terms shall have the following meanings:

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**FATCA**" means:

84.1.1 sections 1471 through 1474 of the Code and any associated regulations;

84.1.2 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 Clause 84.1.1; or

84.1.3 any agreement pursuant to the implementation of Clauses 84.1.1 or 84.1.2 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 this Charter or the other Transaction Documents required by or under FATCA.

"**FATCA Exempt Party**" means a Party that is entitled to receive payments free from any FATCA Deduction.

84.2 Subject to Clause 84.4, each Party shall, within ten (10) Business Days of a reasonable request by another Party:

84.2.1 confirm to that other Party whether it is:

(a) a FATCA Exempt Party; or

(b) not a FATCA Exempt Party;

84.2.2 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

84.2.3 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.

84.3 If a Party confirms to another Party pursuant to Clause 84.2.1 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.

84.4 Clause 84.2 shall not oblige the Owners to do anything, and Clause 84.2.3 shall not oblige the Charterers to do anything, which would or might in its reasonable opinion constitute a breach of:

84.4.1 any law or regulation;

84.4.2 any fiduciary duty; or

84.4.3 any duty of confidentiality.

84.5 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 Clauses 84.2.1 or 84.2.2 (including, for the avoidance of doubt, where Clause 84.4 applies), then such Party shall be treated for the purposes of this Charter and the other Transaction 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.

84.6 Each Party or Obligor or Approved Manager (if applicable) may make any FATCA Deduction it is required by FATCA to make, and any payment required in connection with that FATCA Deduction, and no Party or Obligor or Approved Manager (if applicable) 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.

84.7 Each Party or Obligor (if applicable) 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 or Obligor or Approved Manager (if applicable) to whom it is making the payment.

85 Law and Dispute Resolution

85.1 This Charter and any non-contractual obligations arising from or in connection with it shall in all respects be governed by and interpreted in accordance with English law and any dispute arising out of or in connection with this Charter 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.

85.2 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 seat of arbitration shall be London and the language of the arbitration shall be English.

85.3 The Parties understand, accept and agree that:

85.3.1 This document is part of an overall transaction involving the Transaction Documents, some of which may involve one or more entities that are not party to this document.

85.3.2 In addition to the powers stated in the LMAA Terms and the Arbitration Act 1996 and at law, the arbitration Tribunal shall have power, upon application by a Party, to order that an arbitration commenced under this document be consolidated with one or more other arbitrations commenced under this document or other Transaction Documents.

85.3.3 The Tribunal shall exercise that power as it deems fit for the just and efficient resolution of disputes under this document and other Transaction Documents overall. This can include consideration of factors including but not limited to:

(a) Whether there are common issues of fact or law in the arbitrations for which consolidation is sought.

(b) The present progress of each arbitration for which consolidation is sought.

85.3.4 The “order of priority” amongst the Transaction Documents shall be as follows:

(a) this Charter;

(b) the MOA;

(c) the Charter Guarantee; and

(d) the Time Charter Assignment, the Share Pledge, the Assignment of Warranty, the Charterers’ Assignment and any Managers’ Undertakings.

85.3.5 Notwithstanding the above, each Party acknowledges and accepts that the Owners shall be at absolute liberty to alter the "order of priority" above at any time upon written notice to the Party/Parties and the Tribunal(s) (if any), whether arbitration(s) have been commenced or not.

85.3.6 The Tribunal in the consolidated arbitration shall be constituted by Tribunal in the arbitration under the "highest priority" Transaction Document, of the arbitrations that are to be consolidated. If there are multiple arbitrations commenced under the "highest priority" Transaction Document, the Tribunal in the earliest arbitration under the "highest priority" Transaction Document shall be the Tribunal in the consolidated arbitration.

85.3.7 Where applications for consolidation are made in multiple arbitrations, and the Tribunals reach different decisions on whether to order consolidation, the decision of the Tribunal in the arbitration under the "highest priority" Transaction Document shall prevail and be followed by all Parties. If there are multiple arbitrations commenced under the "highest priority" Transaction Document, the decision of the Tribunal in the earliest arbitration under the "highest priority" Transaction Document shall prevail and be followed by all Parties.

85.3.8 Each Party waives its right to confidentiality whether under the terms of this document, or in respect of arbitration under the LMAA Terms, Arbitration Act 1996, or at law, as between entities which are party to the arbitrations for which consolidation is sought.

85.3.9 Each Party shall not seek to (and waives any right to) object to, undermine, attack, delay, or challenge the proceedings in the consolidated arbitration or the award made in the consolidated arbitration, on grounds arising out of or in relation to confidentiality or the consolidation itself.

85.4 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 fourteen (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 fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (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 the Owners and the Charterers as if the sole arbitrator had been appointed by agreement.

85.5 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

85.6 In cases where neither the claim nor any counterclaim exceeds the sum of US$100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

86 No Brokerage Confirmation

The Charterers hereby represent, undertake and confirm that:

86.1 no broker, finder, agent or similar intermediary has been employed by or acted on behalf of the Charterers in connection with this Charter (or other Transaction Documents) or the transactions provided for herein;

86.2 there are no brokerage commissions, similar fees or commissions payable or paid with respect of this Charter (or other Transaction Documents) or the transactions provided for herein based on any agreement, arrangement or understanding with the Charterers or any other action taken by the Charterers; and

none of the Obligors nor any of its agents has, in relation to that Obligor's business, paid, offered, promised, given or authorised any payment of money or anything of value directly or indirectly to any person in connection with the Owners (the "**Person**") either intending to induce a Person to improperly perform a function or activity or to reward a Person for any such performance, or while knowing or believing that the acceptance by that Person would constitute the improper performance of a function or activity.

Exhibit 8.1

List of Subsidiaries of Navios Maritime Partners L.P. as of December 31, 2023

Aegean Sea Maritime Holdings Inc.
Afros Maritime Inc.
Agistri Shipping Limited
Agron Navigation Company
Aldebaran Shipping Corporation
Alegria Shipping Corporation
Alkmene Shipping Corporation
Alonnisos Shipping Corporation
Amaryllis Shipping Inc.
Ambracia Navigation Company
Amindra Navigation Co.
Ammos Shipping Corp.
Amorgos Shipping Corporation
Anafi Shipping Corporation
Andromeda Shiptrade Limited
Andros Shipping Corporation
Anthimar Marine Inc.
Antikithira Shipping Corporation
Antiparos Shipping Corporation
Antipaxos Shipping Corporation
Antipsara Shipping Corporation
Aramis Navigation Inc.
Artala Shipping Co.
Asteroid Shipping S.A.
Astrovalos Shipping Corporation
Atokos Shipping Corporation
Aurora Shipping Enterprises Ltd.
Avery Shipping Company
Azalea Shipping Inc.
Balder Maritime Ltd.
Bato Marine Corp.
Bertyl Ventures Co.
Beryl Shipping Corporation
Boheme Navigation Company
Bole Shipping Corporation
Boysenberry Shipping Corporation
Brandeis Shipping Corporation
Buff Shipping Corporation
Bulkinvest S.A.
Cadmium Shipping Corporation
Calliope Shipping Corporation
Camelia Shipping Inc.
Casual Shipholding Co.
Cavalli Navigation Inc.
Cavos Navigation Co.
Celadon Shipping Corporation
Cerulean Shipping Corporation

Chalki Shipping Corporation
Chernava Marine Corp.
Cheryl Shipping Corporation
Chilali Corp.
Christal Shipping Corporation
Clan Navigation Limited
Cloud Atlas Marine S.A.
Coasters Ventures Ltd.
Corsair Shipping Ltd.
Crayon Shipping Ltd
Crete Shipping Corporation
Cronus Shipping Corporation
Customized Development S.A.
Cyrus Investments Corp.
Delos Shipping Corporation
Despotiko Shipping Corporation
Dione Shipping Corporation
Dionysus Shipping Corporation
Donoussa Shipping Corporation
Doxa International Corp.
Ducale Marine Inc.
Ebba Navigation Limited
Elafonisos Shipping Corporation
Emery Shipping Corporation
Enplo Shipping Limited
Erato Shipmanagement Corporation
Ereikousa Shipping Corporation
Esmeralda Shipping Corporation
Euterpe Shipping Corporation
Evian Shiptrade Ltd.
Fairy Shipping Corporation
Faith Marine Ltd
Fandango Shipping Corporation
Fantastiks Shipping Corporation
Felicity Shipping Corporation
Finian Navigation Co.
Flavescent Shipping Corporation
Floral Marine Ltd.
Folegandros Shipping Corporation
Galaxy Shipping Corporation
Galera Management Company
Gatsby Maritime Company
Gavdos Shipping Corporation
Goddess Shiptrade Inc.
Goldie Services Company
Golem Navigation Limited
Highbird Management Inc.
Hyperion Enterprises Inc.
Ianthe Maritime S.A.
Ikaria Shipping Corporation

Iliada Shipping S.A.
Inastros Maritime Corp.
Ios Shipping Corporation
Iraklia Shipping Corporation
Iris Shipping Corporation
Isolde Shipping Inc.
Ithaki Shipping Corporation
Jasmer Shipholding Ltd.
Jasmine Shipping Corporation
Jaspero Shiptrade S.A.
Joy Shipping Corporation
JTC Shipping and Trading Ltd.
Karpathos Shipping Corporation
Kastelorizo Shipping Corporation
Kastos Shipping Corporation
Kerkyra Shipping Corporation
Kimolos Shipping Corporation
Kithira Shipping Corporation
Kleimar N.V.
Kleio Shipping Corporation
Kohylia Shipmanagement S.A.
Kos Shipping Corporation
Koufonisi Shipping Corporation
Kymata Shipping Co.
Lavender Shipping Corporation
Lefkada Shipping Corporation
Legato Shipholding Inc.
Leros Shipping Corporation
Letil Navigation Ltd.
Leto Shipping Corporation
Libra Shipping Enterprises Corporation
Limestone Shipping Corporation
Limnos Shipping Corporation
Makri Shipping Corporation
Makronisos Shipping Corporation
Mandora Shipping Ltd.
Mathraki Shipping Corporation
Meganisi Shipping Corporation
Melpomene Shipping Corporation
Micaela Shipping Corporation
Migen Shipmanagement Ltd.
Moonstone Shipping Corporation
Morganite Shipping Corporation
Morven Chartering Inc.
Muses Shipping Corporation
Mytilene Shipping Corporation
NAV Holdings Limited
Navios Acquisition Europe Finance Inc.
Navios Acquisition Finance (US) Inc.

Navios International Inc.
Navios Maritime Acquisition Corporation
Navios Maritime Containers Sub L.P.
Navios Maritime Midstream Operating LLC
Navios Maritime Midstream Partners Finance (US) Inc.
Navios Maritime Midstream Partners GP LLC
Navios Maritime Midstream Partners L.P.
Navios Maritime Operating LLC.
Navios Maritime Partners L.P.
Navios Partners Containers Finance Inc.
Navios Partners Containers Inc.
Navios Partners Europe Finance Inc.
Navios Partners Finance (US) Inc.
Nefeli Navigation S.A.
Nisyros Shipping Corporation
Nostos Shipmanagement Corp.
Oceanus Shipping Corporation
Oinousses Shipping Corporation
Olivia Enterprises Corp.
Olympia II Navigation Limited
Opal Shipping Corporation
Orbiter Shipping Corp.
Othonoi Shipping Corporation
Pandora Marine Inc.
Patmos Shipping Corporation
Paxos Shipping Corporation
Pearl Shipping Corporation
Peran Maritime Inc.
Perigiali Navigation Limited
Perivoia Shipmanagement Co.
Persephone Shipping Corporation
Pharos Navigation S.A.
Pingel Navigation Limited
Pleione Management Limited
Polyaigos Shipping Corporation
Polymnia Shipping Corporation
Prometheus Shipping Corporation
Prosperity Shipping Corporation
Proteus Shiptrade S.A.
Psara Shipping Corporation
Pserimos Shipping Corporation
Pueblo Holdings Ltd.
Red Rose Shipping Corp.
Rhea Shipping Corporation
Rhodes Shipping Corporation
Rider Shipmanagement Inc.
Rodman Maritime Corp.
Rondine Management Corp.
Roselite Shipping Corporation
Rubina Shipping Corporation

Rumer Holding Ltd.
Sagittarius Shipping Corporation
Samos Shipping Corporation
Samothrace Shipping Corporation
Schinousa Shipping Corporation
Serifos Shipping Corporation
Seymour Trading Limited
Shikhar Ventures S.A.
Shinyo Dream Limited
Shinyo Kannika Limited
Shinyo Kieran Limited
Shinyo Loyalty Limited
Shinyo Navigator Limited
Shinyo Ocean Limited
Shinyo Saowalak Limited
Sifnos Shipping Corporation
Sikinos Shipping Corporation
Silvanus Marine Company
Skiathos Shipping Corporation
Skopelos Shipping Corporation
Skyros Shipping Corporation
Solange Shipping Ltd.
Sui An Navigation Limited
Sunstone Shipping Corporation
Surf Maritime Co.
Syros Shipping Corporation
Talia Shiptrade S.A.
Tarak Shipping Corporation
Terpsichore Shipping Corporation
Teuta Maritime S.A.
Thalassa Marine S.A.
Thalia Shipping Corporation
Thasos Shipping Corporation
Thera Shipping Corporation
Theros Ventures Limited
Thetida Marine Co.
Tilos Shipping Corporation
Tinos Shipping Corporation
Topaz Shipping Corporation
Triangle Shipping Corporation
Trikeri Shipping Corporation
Tzia Shipping Corporation
Urania Shipping Corporation
Vatselo Enterprises Corp.
Veja Navigation Company
Velour Management Corp.
Velvet Shipping Corporation
Vernazza Shiptrade Inc.
Vinetree Marine Company

Vythos Marine Corp.
Wenge Shipping Corporation
White Narcissus Marine S.A.
Zakynthos Shipping Corporation
Ziggy Shipping Limited
Zoner Shiptrade S.A.

Exhibit 12.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Angeliki Frangou, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2023 of Navios Maritime Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report on such evaluation; and

d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls over financial reporting.

Date: April 3, 2024

/s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Erifyli Tsironi, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2023 of Navios Maritime Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report on such evaluation; and

d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls over financial reporting.

Date: April 3, 2024

/s/ Erifyli Tsironi
Erifyli Tsironi
Chief Financial Officer
(Principal Financial Officer)

Exhibit 13.1

Certification
Pursuant To Section 906 of the Sarbanes-Oxley Act Of 2002
(Subsections (A) And (B) Of Section 1350,
Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Navios Maritime Partners L.P., (the "Company"), does hereby certify, to such officer's knowledge, that:

(i) the Annual Report on Form 20-F for the fiscal year ended December 31, 2023 (the "Form 20-F") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934;

(ii) and the information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 3, 2024

/s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer

Dated: April 3, 2024

/s/ Erifyli Tsironi
Erifyli Tsironi
Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-271842) of Navios Maritime Partners L.P. and in the related Prospectus of our reports dated April 3, 2024, with respect to the consolidated financial statements of Navios Maritime Partners L.P., and the effectiveness of internal control over financial reporting of Navios Maritime Partners L.P., included in this Annual Report (Form 20-F) for the year ended December 31, 2023.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Athens, Greece
April 3, 2024

Exhibit 97.1

NAVIOS MARITIME PARTNERS L.P.
COMPENSATION RECOVERY POLICY

1. Introduction. Navios Maritime Partners L.P. (the "Company") has adopted this Compensation Recovery Policy (the "Policy"), which provides for the recovery of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws. This Policy is intended to comply with Section 10D of the Securities Exchange Act of 1934 (the "Exchange Act"), the rules of the Securities and Exchange Commission (the "Commission") promulgated thereunder and the listing requirements of the New York Stock Exchange LLC, or such other national securities exchange on which the Company's securities may be listed from time to time (the "Exchange").

2. Covered Executive Officers. This Policy applies to the Company's current and former executive officers, as determined by the Company in accordance with Section 10D of the Exchange Act (the "Executive Officers"). This Policy does not apply to Incentive Compensation (defined below) received by an Executive Officer (a) prior to beginning services as an Executive Officer, or (b) if that person did not serve as an Executive Officer at any time during the performance period for such Incentive Compensation.

3. Recovery in General; Applicable Restatements

a. If the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including a required accounting restatement to correct an error in previously issued financial statements that (i) is material to the previously issued financial statements, or (ii) would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "Restatement"), the Board of Directors (the "Board") of the Company shall cause the Company to recover reasonably promptly, and subject to the exceptions set forth below, any erroneously awarded Incentive Compensation (as defined in Section 4 below) received by each Executive Officer during the three completed fiscal years immediately preceding the date on which the Company is required to prepare such a Restatement (including, where required under Section 10D of the Exchange Act, any transition period resulting from a change in the Company's fiscal year).

b. For purposes of clarity, a "Restatement" shall not be deemed to include changes to the Company's financial restatements that do not involve the correction of an error resulting from material non-compliance with financial reporting requirements, as determined in accordance with applicable accounting standards and guidance.

c. For purposes of this Policy, the date that the Company is required to prepare a Restatement shall be the earlier of (i) the date that the Board of committee thereof (or if Board or committee action is not required, the officer(s) of the Company authorized to take such action) concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement.

d. For purposes of this Policy, Incentive Compensation shall be deemed to be "received" by an Executive Officer in the Company's fiscal period during which the applicable Financial Reporting Measure (as defined in Section 4 below) specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

4. Incentive Compensation. For purposes of this Policy, "Incentive Compensation" means any compensation that is granted, earned or vested based wholly or in part on the attainment of a Financial Reporting Measure (as defined below). For purposes of this Policy, "Financial Reporting Measures" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures, regardless of whether such measures are presented within the Company's financial statements or included in a filing with the Commission. Financial Reporting Measures include stock price and total shareholder return.

5. Erroneously Awarded Compensation: Amount Subject to Recovery

a. The amount to be recovered from an Executive Officer pursuant to this Policy in the event of a Restatement shall equal the amount of Incentive Compensation received by the Executive Officer that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid.

b. Where the amount of erroneously awarded Incentive Compensation is not subject to mathematical recalculation directly from the information in the Restatement (as in the case of Incentive Compensation based on stock price or total shareholder return), the Board shall determine such amount based on a reasonable estimate of the effect of the Restatement on the applicable Financial Reporting Measure, and the Board shall maintain documentation of any such estimate and provide such documentation to the Exchange.

6. Exceptions to Recovery. Notwithstanding anything herein to the contrary, the Company need not recover erroneously awarded Incentive Compensation from an Executive Officer to the extent that the Board determines that such recovery would be impracticable and either: (a) the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (determined by the Board after making and documenting a reasonable attempt to recover such erroneously awarded compensation, and providing documentation to the Exchange of such reasonable attempt to recover the compensation); (b) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code and regulations thereunder; or (c) recovery would violate home country law where that law was adopted prior to November 28, 2022 (determined by the Board after the Company has obtained an opinion of home country counsel acceptable to the Exchange, that recovery would result in such a violation, and such opinion is provided to the Exchange).

7. Methods of Recovery

a. The Board will determine, in its absolute discretion and taking into account the applicable facts and circumstances, the method or methods for recovering any erroneously awarded Incentive Compensation hereunder, which method(s) need not be applied on a consistent basis; provided in any case that any such method provides for reasonably prompt recovery and otherwise complies with any requirements of the Exchange and applicable law (including, without limitation, Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A")). By way of example and not in limitation of the foregoing, methods of recovery that the Board, in its discretion, may determine to use under the Policy may include one or more of the following methods to the extent permitted by applicable law (which rights shall be cumulative and not exclusive): repayment by the Executive Officer in immediately available funds, the forfeiture or repayment of Incentive Compensation, the forfeiture or repayment of time-based equity or cash incentive compensation awards, the forfeiture of benefits under a deferred compensation plan, and/or the offset of all or a portion of the amount of the erroneously awarded Incentive Compensation against other compensation payable to the Executive Officer.

b. To the fullest extent permitted by applicable law (including, without limitation, Section 409A), the Board may, in its sole discretion, delay the vesting or payment of any compensation otherwise payable to an Executive Officer to provide a reasonable period of time to conduct or complete an investigation into whether this Policy is applicable, and if so, how it should be enforced, under the circumstances.

8. No Indemnification. Notwithstanding the terms of any agreement, policy or governing document of the Company to the contrary, the Company shall not indemnify any Executive Officer against (a) the loss of any erroneously awarded Incentive Compensation, or (b) any claim relating to the Company's enforcement of its rights under this Policy. By signing the Acknowledgement Agreement (defined below), each Executive Officer irrevocably agrees never to institute any claim against the Company or any subsidiary, knowingly and voluntarily waives his or her ability, if any, to bring any such claim, and releases the Company and any subsidiary from any such claim, for indemnification with respect to any expenses (including attorneys' fees), judgments or amounts of compensation paid or forfeited by the Executive Officer in connection with the application or enforcement of this Policy.

9. Administration. This Policy shall be administered by the independent members of the Board, unless delegated to a committee thereof. The Board shall have full and final authority to make all determinations under this Policy. In this regard, the Board shall have no obligation to treat any Executive Officer uniformly and the Board may make determinations selectively among Executive Officers in its business judgment. All determinations and decisions made by the Board pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company, its subsidiaries, its stockholders and its employees.

10. Policy Not Exclusive. The remedies specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company.

11. Effective Date. This Policy shall apply to any Incentive Compensation that is received by an Executive Officer on or after October 2, 2023.

12. Amendment; Termination. To the extent permitted by, and in a manner consistent with applicable law, including the rules of the Commission and the Exchange, the Board may terminate, suspend or amend this Policy at any time in its discretion.

13. Severability; Waiver. If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically deemed to be amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law. The waiver by the Company or the Board with respect to compliance of any provision of this Policy by an Executive Officer shall not operate or be construed as a waiver of any other provision of this Policy, or of any subsequent acts or omissions by an Executive Officer under this Policy.

14. Filings. The Board shall cause the Company to make any filings with, or submissions to, the Commission and the Exchange that may be required pursuant to rules or standards adopted by the Commission or the Exchange pursuant to Section 10D of the Exchange Act.

15. Acknowledgement by Executive Officers. The Company shall require each Executive Officer serving as such on or after the effective date of this Policy to sign and return to the Company an acknowledgement agreement in the form attached hereto as Exhibit A (or in such other form as may be prescribed by the Board from time to time) (the "Acknowledgement Agreement"), pursuant to which the Executive Officer will affirmatively agree to be bound by, and to comply with, the terms and conditions of this Policy; provided that an Executive Officer's failure or refusal to sign or return an Acknowledgement Agreement as provided herein shall not waive the Company's right to enforce the Policy against such Executive Officer.

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ACKNOWLEDGEMENT AGREEMENT

NAVIOS MARITIME PARTNERS L.P.
COMPENSATION RECOVERY POLICY

I, the undersigned, agree and acknowledge that I am fully bound by, and subject to, all of the terms and conditions of the Navios Maritime Partners L.P. Compensation Recovery Policy (as it may be amended, restated, supplemented or otherwise modified from time to time, the "Policy"). In the event of any inconsistency between the Policy and the terms of any employment agreement to which I am a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern. In the event it is determined by the Board that any amounts granted, awarded, earned or paid to me must be forfeited or reimbursed to the Company, I will promptly take any action necessary to effectuate such forfeiture and/or reimbursement, including, upon demand, repaying to the Company fully and promptly (in immediately available funds denominated in U.S. dollars or otherwise as specified by the Company pursuant to the Policy) all amounts of erroneously awarded Incentive Compensation. Any capitalized terms used in this Acknowledgment Agreement without definition shall have the meaning set forth in the Policy.

_____ _____

Signature Date

_____

Print Name