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, 2021

OR

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

For the transition period from _____ to _____

OR

☐ 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)

7 Avenue de Grande Bretagne, Office 11B2

Monte Carlo, MC 98000 Monaco

(Address of Principal Executive Offices)

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New York, NY 10017

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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

Title of each class	Trading Symbol	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: 30,197,087 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. ☒

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, as the fleets acquired in the Navios Maritime Containers L.P. ("Navios Containers") and the Navios Maritime Acquisition Corporation ("Navios Acquisition") mergers, 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;
- increases in interest rates;
- 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 Navios Maritime Holdings Inc. ("Navios Holdings") and our managers, namely Navios Shipmanagement Inc. (the "Manager"), and Navios Tankers Management Inc. ("Tankers Manager" and together with the Manager, the "Managers");
- 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 cargo carriers and containerships;
- 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, including the ongoing global impact and effects of the COVID-19 pandemic;
- 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 COVID-19 pandemic, the Ukrainian/Russian conflict 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

Risks Relating to Our Business and our Industry

- *Our growth depends on continued growth in demand for drybulk 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 and our profitability.*
- *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.*
- *We are focused on employing vessels on long-term charters and we may have difficulties in doing so if a more active short-term or spot market develops.*
- *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.*
- *Our growth depends on our ability to expand relationships with existing customers and obtain new customers, for which we will face substantial competition from new entrants and established companies with significant resources.*
- *As we expand our business, we may have difficulty managing our growth, which could increase expenses.*
- *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 vessels, our decision to cancel an order for purchase of a vessel or our inability to otherwise complete the acquisitions of additional vessels for our fleet, could harm our business, financial condition and results of operations.*
- *If we purchase any newbuilding vessels, delays, cancellations or non-completion of deliveries of newbuilding vessels could harm our operating results.*
- *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 sulphur from exhaust gases, which may offer substantial bunker 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.*

- *Our vessels may be subject to unbudgeted periods of off-hire, which could materially adversely affect our business, financial condition and results of operations.*
- *Vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition.*
- *The market value of our vessels may fluctuate significantly. 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.*
- *Increasing growth of electric vehicles and other measures intended to reduce CO2 emissions could lead to a decrease in trading and the movement of crude oil and petroleum products worldwide.*
- *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 rates, which may affect our ability to operate our vessels profitably.*
- *Fuel price fluctuations may have an adverse effect on our profits.*
- *If we expand the size of our fleet in the future, we generally will be required to make significant installment payments for acquisitions of vessels even prior to their delivery and generation of revenue. Depending on whether we finance our expenditures through cash from operations or by issuing debt or equity securities, our ability to make cash distributions to unitholders, to the extent we are making distributions, may be diminished or our financial leverage could increase or our unitholders could be diluted.*
- *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.*
- *Our international activities increase the compliance risks associated with economic and trade sanctions imposed by the United States, the European Union 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.*
- *Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.*
- *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.*
- *Our financial and operating performance may be adversely affected by the COVID-19 pandemic.*
- *Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.*

Risks Relating to Our Indebtedness

- *The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our credit facilities and result in foreclosure on our mortgaged vessels.*
- *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 credit facilities may fluctuate and may impact our operations.*
- *As LIBOR is replaced as the reference rate under our debt obligations, it could affect our profitability, earnings and cash flow.*
- *Our credit facilities 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 sales 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 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.*
- *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 ("MLP") 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 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, it 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, including Navios Holdings, 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 determines 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, Brazil and Russia. 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 Cooperation 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 have adversely affected demand for bulk carriers and, as a result, spot and period rates, as well as asset values, are currently at levels below their peaks in the fall of 2021. 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, Russia, India, and other emerging markets; the current armed conflict between Russia and Ukraine; and changing oil production and consumption patterns due to 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 global financial crisis, the continuing U.S. shale production expansion and the ongoing 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 through 2022 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 sulphur reduction rules and closure of refineries due to the pandemic should increase trade in refined oil products.

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 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 are at or near all time highs due to governments' responses to the pandemic, and the disruption of supply chains, there is no guarantee that they will remain elevated 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. If we sell a vessel at a time when the market value of our vessels has fallen, the sale may be at less than the vessel's carrying amount, resulting in a loss.

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, it has ranged from a low of 393 in May 2020 to a high of 5,650 in October 2021, and at 2,689 on March 15, 2022 it remains at low levels 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 115 points at the beginning of March 2021 and has steadily risen to an all time high of 433 as of the beginning of March 2022. Current container charter rates are at or close to all time highs 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 2020, it has traded between an all time low of 403 and a high of 1,550; as of March 15, 2022, it stood at 1,279. 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 an all time low of 309 and an all time high of 2,190 since January 2020 and stood at 1,032 as of March 15, 2022. 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 10.9 million barrels per day in January 2022. Additionally, since the U.S. removed its ban at the end of 2015, U.S. crude oil exports increased by over 800% from 0.4 million barrels per day to a record 3.6 million barrels per day in March 2020; and averaged 3.3 MBPD in January 2022. The U.S. has steadily increased its total petroleum product exports by about 500% to a record 6.2 million barrels per day in December 2021 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 dividends 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, such as the COVID-19 pandemic;
- 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;
- fuel prices for the bunker fuel used aboard ships;
- whether the vessel is equipped with scrubbers or not;
- natural or man-made disasters 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;

- weather 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;
- 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, 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;
- 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), namely those that are laid-up, drydocked, awaiting or undergoing repairs or otherwise not 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 due to accidents, war 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 sulphur fuels, the fitting of additional ballast water treatment systems and upcoming rules intended to reduce CO2 emissions) 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 and tanker fleet 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 tanker capacity. The consequences of any future global economic crisis may further reduce demand for transportation of dry and liquid commodities over long distances and supply of ships that carry those dry and liquid commodities and 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 2021, China imported 1.107 billion tons of iron ore by sea out of a total of 1.517 billion tons shipped globally, accounting for about 73% of the global seaborne iron ore trade. While it accounted for approximately 23% of seaborne coal movements of coal in 2021 according to current estimates (281 million tons imported compared to 1.231 billion tons of seaborne coal traded globally), and 25% of all crude oil shipped globally in 2021 (463 million tons imported compared to 1.827 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 promoting the export of Chinese coal 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.

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 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 and any sanctions resulting therefrom, the pandemic and ongoing global trade war between the U.S. and China may contribute to an economic slowdown in China.

Our operations expose us to the risk that increased trade protectionism from China or other nations will adversely affect our business. If the global recovery is undermined by downside risks and the recent economic downturn returns or if sanctions related to the current Ukraine Russia conflict or any other war causes a downturn in China or worldwide, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing the demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause (i) a decrease in cargoes available to our charterers in favor of Chinese charterers and Chinese owned ships and (ii) an increase in the risks associated with importing goods to China. Any increased trade barriers or restrictions on trade, especially trade with China, 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. This could have a material adverse effect on our business, results of operations, financial condition and our ability to pay cash distributions to our unitholders.

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 fragile recovery of 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 to trade within the European Union member countries in response to 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 of the current 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 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 or Atlantic basin including West Africa and political or armed conflicts 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 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 2022 Annual Energy Outlook published in March 2022 by the US Energy Information Agency ("EIA"): The United States is both an importer and exporter of petroleum liquids, importing mostly heavy crude oil and exporting mostly light crude as well as petroleum products such as gasoline and diesel. The AEO2022 Reference case projects that the US will be a net exporter of petroleum and other liquids through 2050. These high exports levels are primarily a result of less consumption of liquid fuels in the US and, to a lesser extent, because domestic crude oil cannot be processed economically and is more valuable when exported. The US is expected to be a net importer of crude alone (excluding products and other petroleum liquids) over the same period. Similarly in the annual World Energy Outlook (October 2021), the International Energy Agency ("IEA") forecast that U.S. crude oil output will expand by 3.4 million barrels per day ("MBPD") by 2030 in their Stated Policies Scenario (STEPS) while Saudi Arabia increases production by about 2.0 MBPD by 2030, making the U.S. the world's largest oil producer from now until 2030 ahead of both Saudi Arabia and Russia. Brazil and Guyana will increase oil net exports by 2.0 MBPD by 2030 adding to Atlantic Basin supply. Emerging markets will increase oil demand by 12 MBPD from 2020 to 2030 an increase of nearly 30% 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 net imports, including both crude oil and products, has been decreasing since peaking at over 68% in 2008 according to BP's 2021 Statistical Review and stood at 46% for 2020. EIA statistics for 2020 show that U.S. crude oil imports fell 14% to an average of 5.9 MBPD under the 6.8 MBPD for 2019 but rose slightly in 2021 to 6.1 MBPD (4%), and 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 3.6 MBPD in March 2020 and stood at 3.5 MBPD in December2021, 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 and the refugee crisis 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. The deterioration in the global economy has caused, and may continue to cause, a decrease in worldwide demand for dry cargo and certain goods shipped in containerized form.

Uncertainty has been created about the future relationship between the United States, 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, (iii) the costs of such delivery and (iv) the risks associated with exporting 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.

We are focused on employing vessels on long-term charters and we may have difficulties in doing so if a more active short-term or spot market develops.

One of our principal strategies is to enter into long-term charters, although we believe it is impractical to determine the typical charter length for vessels in our sectors due to factors such as market dynamics, charter strategy and the private nature of charter agreements. If a market for long-term time charters in the sectors in which we operate does not develop, we may have increased difficulty entering into long-term time charters upon expiration or early termination of the time charters for our vessels. As a result, our revenues and cash flows may become more volatile. In addition, an active short-term or spot charter market may require us to enter into charters based on changing market prices, as opposed to contracts based on fixed rates, which could result in a decrease in our revenues and cash flows, including cash available for distribution to unitholders, if we enter into charters during periods when the market price for shipping dry or liquid cargoes or containerships is depressed or these markets become depressed during the period of any adjustable rate charter.

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.

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, tanker and VLCC sectors, product tankers, chemical tanker and VLCC charter hire rates are highly volatile and may fluctuate significantly based upon demand for seaborne transportation of crude oil and 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, 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 at or below operating costs for some tanker vessel sizes and there is no assurance that the crude oil, product and chemical tanker charter market will rise over the next several months or will not decline further. Dry bulk and container vessels spot rates are currently above operating costs, but there is no assurance that these rates will remain or will not decline further. 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 the tanker industry cycle, 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 tanker 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 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.

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 sector. 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 maybe 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.

As we expand our business, we may have difficulty managing our growth, which could increase expenses.

We intend to continue growing our fleet, either through purchases, ordering newbuilt vessels, the increase of the number of chartered-in vessels or through the acquisitions of businesses, as is the case with the acquisitions of Navios Containers' and Navios Acquisition's fleets. The addition of vessels to our fleet or the acquisition of new businesses will impose significant additional responsibilities on our management. We will also have to increase our customer base to provide continued employment for the new vessels. Our growth will depend on our success in locating and acquiring suitable vessels, identifying and entering into shipbuilding contracts at acceptable prices and consummating acquisitions or joint ventures, integrating any acquired business successfully with our existing operations, enhancing our customer base, managing our expansion, and obtaining required financing.

During periods in which charter rates are high, vessel values are generally high as well, and it may be difficult to consummate ship acquisitions or potentially enter into shipbuilding contracts at favorable prices. During periods in which charter rates are low and employment is scarce, vessel values are low and any vessel acquired without time charter attached will automatically incur additional expenses to operate, insure, maintain and finance the vessel thereby significantly increasing the acquisition cost. In addition, any vessel acquisition may not be profitable at or after the time of acquisition and may not generate cash flows sufficient to justify the investment. We may not be successful in executing any future growth plans and we cannot give any assurance that we will not incur significant expenses and losses in connection with such growth efforts.

Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel, continuing to meet technical and safety performance standards, managing relationships with customers and suppliers, dealing with potential delays in deliveries of newbuilding vessels, and integrating newly acquired operations into existing infrastructures. We may not be successful in executing our growth plans. We may incur significant expenses and losses in connection therewith or our acquisitions may not perform as expected, which could materially adversely affect our results of operations and financial condition.

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 vessels, our decision to cancel an order for purchase of a vessel or our inability to otherwise complete the acquisitions of additional vessels for our fleet, could harm our business, financial condition and results of operations.

We expect to purchase secondhand vessels from time to time. The delivery of these vessels could be delayed, not completed or cancelled, which would delay or eliminate our expected receipt of revenues from the employment of these vessels. The seller could fail to deliver these vessels to us as agreed, or we could cancel a purchase contract because the seller has not met its obligations. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend upon a number of factors that are beyond our control and may include, among other things, general economic conditions, the state of the capital markets, the condition of the dry and container shipping industry and charter hire rates.

If the delivery of any 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.

If we purchase any newbuilding vessels, delays, cancellations or non-completion of deliveries of newbuilding vessels could harm our operating results.

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 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 delivery of a vessel is materially delayed, it could materially adversely affect our results of operations and financial condition and our ability to make cash distributions.

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 year ended December 31, 2021, Singapore Marine Pte. Ltd ("Singapore Marine") represented approximately 14.5% of our total revenues. For the year ended December 31, 2020, Hyundai Merchant Marine Co. ("HMM"), Singapore Marine, and Cargill International S.A. ("Cargill"), represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine Asia Pte. Ltd. ("Swissmarine") and Cargill, represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented. 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 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.

For example, in 2016, HMM faced financial difficulties and developed a restructuring plan, which included restructuring agreements for five of our containerships (see Note 19 — Notes Receivable to our consolidated financial statements, included elsewhere in this Annual Report). In addition, Navios Partners has filed claims for lost revenues in connection with the 2016 filing by Hanjin for rehabilitation, which was later followed by entry into liquidation in 2017. In October 2020, the bankruptcy court ruled against one of the two claims filed by the Company. The relevant court is still assessing the claim regarding the Navios Luz. The Company has fully provided for these amounts in its books (see Note 2(f) — Summary of Significant Accounting Policies to our consolidated financial statements, included elsewhere in this Annual Report).

All of our drybulk time charters are scheduled to expire on dates ranging from April 2022 to June 2024. All of our tanker time charters are scheduled to expire on dates ranging from April 2022 to February 2031. All of our containerships are scheduled to expire on dates ranging from October 2022 to April 2030 (excluding the two containerships agreed to be sold).

If, upon expiration or termination of these or other contracts, long-term recharter 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. Our ability to re-charter our containerships upon the expiration or termination of their current time charters and the charter rates payable under any renewal options or replacement time charters will depend upon, among other things, the prevailing state of the containership charter market, which can be affected by the demand of the container industry.

The failure of a customer to perform its obligations under a contract may mean we increase our exposure to the spot market, which is subject to greater rate fluctuation than the time charter market. 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 April 1, 2022, the vessels in our fleet had an average age of approximately 9.7 years, basis fully delivered fleet, 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 technology. 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 sulphur from exhaust gases, which may offer substantial bunker 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 savings compared to older designs, including certain of our vessels. Fitting scrubbers will allow a ship to consume high sulphur fuel oil ("HSFO") which, to date, has been cheaper than the low sulphur fuel oil ("LSFO") that ships without scrubbers must consume to comply with the IMO 2020 low sulphur 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.

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

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."

Vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition.

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.

In addition, we often purchase secondhand vessels that, unlike newbuilt vessels, typically do not carry warranties as to their condition, and our vessel inspections would not normally provide us with as much knowledge of a vessel's condition as we would possess if it had been built for us and operated by us during its life. Repairs and maintenance costs for secondhand vessels are difficult to predict and may be substantially higher than for vessels we have operated since they were built. These costs could decrease our cash flows, liquidity and our ability to pay dividends to our unitholders.

The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our credit facilities, result 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 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 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 contemplated regarding any reduction in CO2 emissions);
- 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 of it. Our inability to dispose of a vessel at a reasonable price could result in a loss on its 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 credit facilities 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, 2021, 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 credit facilities. 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. 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, 2021, the value of the U.S. dollar as compared to the Euro increased by approximately 8.3% compared with the respective value as of December 31, 2020. 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. Most recently, the Russia/Ukraine conflict has been accompanied by cyber-attacks, including other countries in the region, which could adversely affect our operations. 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 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.

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 credit facilities, 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.

The refining and chemical industries may respond to any economic downturn and demand weakness by reducing operating rates, partially or completely closing refineries or bulk liquid chemical production facilities and by reducing or cancelling certain investment expansion plans, including plans for additional refining or production capacity. Continued reduced demand for refined petroleum products and bulk liquid chemicals and the shipping of such cargoes or the increased availability of pipelines used to transport 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.

Increasing growth of electric vehicles and other measures intended to reduce CO2 emissions could lead to a decrease in trading and the movement of crude oil and petroleum products worldwide.

The IEA noted in its Global EV Outlook 2021 that total electric cars registered worldwide grew from about 17,000 in 2010 to 10 million at the end of 2020. Electric car sales in 2020 were 3 million and electric car registrations increased by 41% in 2020 despite the pandemic related worldwide downturn in car sales in which car sales dropped 16%. IEA forecasts are for electric vehicles ("EVs") to grow from 8 million in 2019 to about 50 million registered vehicles by 2025 and 145 million by 2030, which the IEA forecasts would reduce worldwide demand for oil products by over 2 million barrels per day in 2030. IEA stated that EV operations in 2020 avoided the consumption of 0.5 million barrels per day of oil products. According to the World Economic Forum, there were about 1.1 billion cars registered in 2015 and there will be about 2 billion cars registered by 2040.

In the World Energy Outlook 2021, published in October 2021, the IEA states that current governmental pledges to reduce emissions will cover less than 20% of the gap in emissions reductions that need to be closed by 2030 to keep a 1.5 degree C path within reach (the rise of global mean surface temperatures above pre-industrial levels). Although these announced pledges imply a doubling of clean energy investment and finance over the next decade, this acceleration is not sufficient to overcome the inertia of today's energy system. In particular, over the crucial period to 2030, the actions under this IEA scenario fall well short of the emissions reductions that would be required to keep the door open to Net Zero Emissions by 2050.

A growth in EVs or a speed up in climate goals aimed to reduce CO2 and other emissions or a slowdown in imports or exports of crude or petroleum products 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.

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 1, 2022, newbuilding orders had been placed for an aggregate of about 7% of the existing global drybulk fleet, with deliveries expected during the next three years. That 7% is an all-time low since records began in 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 dividends.

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 25% as of March 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 7% at the beginning of March 2022. From 2004 through 2010, the tanker orderbook was at historically high levels as a percentage of the in-water fleet reaching highs of 64% in January 2007 for product tankers and 54% in October 2008 for VLCCs, 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 5% as of March 2022 for product tankers, and a relative low of 7% as of March 2022 for VLCCs. 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 as the international gas prices that have hit new record highs in 2022 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 in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

If we expand the size of our fleet in the future, we generally will be required to make significant installment payments for acquisitions of vessels even prior to their delivery and generation of revenue. Depending on whether we finance our expenditures through cash from operations or by issuing debt or equity securities, our ability to make cash distributions to unitholders, to the extent we are making distributions, may be diminished or our financial leverage could increase or our unitholders could be diluted.

The actual cost of a vessel varies significantly depending on the market price, the size and specifications of the vessel, governmental regulations and maritime self-regulatory organization standards. If we purchase additional vessels in the future, we generally will be required to make installment payments prior to their delivery. If we finance these acquisition costs by issuing debt or equity securities, we will increase the aggregate amount of interest payments or distributions, to the extent we are making distributions, prior to generating cash from the operation of the vessel.

To fund the remaining portion of these and other capital expenditures, we will be required to use cash from operations or raise capital through the sale of debt or additional equity securities. Use of cash from operations may reduce or eliminate cash available for distributions to unitholders. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on our business, results of operations and financial condition and on our ability to make cash distributions. Even if we successfully obtain necessary funds, the terms of such financings could limit our ability to pay cash distributions to unitholders. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional preferred and common equity securities may result in significant unitholder dilution and would increase the aggregate amount of cash required to make distributions to our common unitholders, to the extent we are making distributions, which could have a material adverse effect on our ability to make cash distributions to all of our unitholders.

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, in international waters, as well as in the country or countries where their vessels are registered. 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. In particular, ballast water management requirements will likely result in compliance costs relating to the installation of equipment on our vessels to treat ballast water before it is discharged and other additional ballast water management and reporting requirements. Investments in ballast water treatment 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 the case particularly in the United States and, increasingly, in Europe. Non-compliances with such laws and regulations can give rise to civil or criminal liability, and/or vessel delays and detentions in the jurisdictions in which we operate.

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 (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 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 have created a demand for vessels that conform to stricter environmental standards. Vessel owners are required to maintain operating standards for all vessels that will 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 are set forth below, along with the risks associated therewith. 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, including costs for 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 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.

Similarly, governmental regulation of the shipping industry, particularly in the areas of safety and environmental requirements, is expected to become stricter in the future. We believe that the heightened environmental, quality, and security concerns of insurance underwriters, regulators, and charterers will 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:

- Limitations on sulfur oxides and nitrogen oxides 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 including fuel switching, vessel modifications such as adding distillate fuel storage capacity, or installation of exhaust gas cleaning systems or scrubbers;

- Environmental requirements can 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 treaties and 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 oil or other hazardous materials from our vessels or otherwise in connection with our operations.

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. These laws are detailed below. 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.

The cost of vessel security measures has also been affected by the escalation in recent years in the frequency and seriousness of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Attacks of this kind have commonly resulted in vessels and their crews being detained for several months, and being released only on payment of large ransoms. Substantial loss of revenue and other costs may be incurred as a result of such detention. Although we insure against these losses to the extent practicable, the risk of uninsured losses which could significantly affect our business remains. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP3 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 therewith them as an essential part of compliance with the International Ship and Port Facility Security Code ("ISPS Code").

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation ("GDPR"), GHG and additional climate disclosure rules proposed by the SEC in March 2022 and expected to be finalized in 2022, along with other anticipated ESG reporting rules which are expected in 2022, 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.

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 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 European Union 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 U.S. or other governments or organizations, including the United Nations, the EU and its member countries, as described in this report. Under economic and trade sanctions laws, governments may seek to impose modifications to, or prohibitions/restrictions on business practices and activities, and 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 our being excluded or restricted in our access to international banking and finance markets. To reduce the risk of violating economic sanctions, we have a policy of compliance with applicable economic sanctions laws and have implemented and continue to implement and diligently follow compliance procedures to avoid economic sanctions violations.

Considering U.S. as well as EU sanctions (sanctions currently imposed by the UK - whose law frequently governs relations with our contractual counterparts - are broadly similar to the EU) and the nature of our business, there is a constant sanctions-related risk for us due to the worldwide trade of our vessels, which we seek to minimize by the implementation of our corporate Economic Sanctions Compliance Policy and Procedures and our compliance with all applicable sanctions and embargo laws and regulations. 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 may be unclear and may be subject to changing interpretations, and the law may change. Moreover, despite, for example, relevant provisions in charter parties forbidding the use of our vessels in trade that would 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 and be imputed to us.

We constantly monitor developments in the U.S., the E.U., UK and other jurisdictions that maintain economic sanctions against Iran, Russia, Crimea, Venezuela other countries/areas, 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, being chartered to certain parties or for certain trade, or could restrict he cargoes of our vessels.

In addition, given our relationship with Navios Holdings (and/or its affiliates), we cannot give any assurance that an adverse finding against them by a governmental or legal authority or others, with respect to sanction matters or any future matter related to regulatory compliance by Navios Holdings (and/or its affiliates) will not have a material adverse impact on our business, reputation or the market price or trading of our common stock.

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. In January 2014, the Nave Atropos, a vessel currently owned by us, came under attack from a pirate action group in international waters off the coast of Yemen and in February 2016, the Nave Jupiter, a vessel also currently owned by us, came under attack from pirate action groups on her way out from her loading terminal about 50 nautical miles off Bayelsa, Nigeria. In both instances, the crew and the on-board security team successfully implemented the counter piracy action plan and standard operating procedures to deter the attack with no consequences to the vessels or their crew. In December 2019, the Nave Constellation was boarded by armed pirates whilst sailing from Bonny, Nigeria. 19 crewmembers were taken as hostages and were released after 18 days of captivity. 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 BMP3 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 dividends. 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, 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.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business.

International shipping is subject to various security and customs inspections and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures can result in the seizure of contents of our vessels, delays in the loading, offloading, trans-shipment or delivery and the levying of customs, duties, fines or other penalties.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our future customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to make cash distributions.

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 relatively weak, 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 continuing war in Syria 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, including the ongoing effects of COVID-19, 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.

In addition, global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the deterioration of fiscal balances and the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. Credit markets as well as the debt and equity capital markets were exceedingly distressed during 2008 and 2009 and have been volatile since that time. The resulting uncertainty and volatility in the global financial markets may accordingly affect our business, results of operations and financial condition. These uncertainties, as well as future hostilities or other political instability in regions where our vessels trade, could also affect trade volumes and patterns and adversely affect our operations, and otherwise have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows and cash available for distributions to our unitholders and repurchases of common units.

Specifically, these issues, along with the re-pricing of credit risk and the difficulties currently experienced by financial institutions, have made, and will likely continue to make, it difficult to obtain financing. As a result of the disruptions in the credit markets and higher capital requirements, many lenders have increased margins on lending rates, enacted tighter lending standards, required more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts), or have refused to refinance existing debt at all. Furthermore, certain banks that have historically been significant lenders to the shipping industry have reduced or ceased lending activities in the shipping industry. Additional tightening of capital requirements and the resulting policies adopted by lenders, could further reduce lending activities. We may 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 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.

Our financial and operating performance may be adversely affected by the COVID-19 pandemic.

Our business could be materially and adversely affected by the ongoing COVID-19 pandemic. The coronavirus or other epidemics or pandemics could potentially result in delayed deliveries of our vessels under construction, disrupt our operations and significantly affect global markets, affecting the demand for our services, global demand for goods shipped in containerships, tankers and dry bulk vessels as well as the price of international freights and hires. If the effects of the coronavirus persist, we may be unable to charter our vessels at the rates or for the length of time we currently expect. The effects of the coronavirus remain uncertain, and should customers be under financial pressure this could negatively affect our charterers' willingness to perform their obligations under our time charters. The loss or termination of any of our time charters 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 and repurchases of common units.

In addition, certain countries have introduced travel restrictions and adopted certain hygiene measures, including quarantining. European countries and the United States have previously adopted stringent measures to contain the spread of the virus. Any prolonged measure, or the reimplementation of previously lifted measures, may affect our normal operations and those of our Manager. All these measures have further affected the process of construction and repair of vessels, as well as the presence of workers in shipyards and, of administrative personnel in their offices, which could exceed previously calculated repair periods, causing our vessels to remain off-hire for longer periods than planned. We may face increased costs operating our vessels due to travel restrictions and quarantine requirements, which can among other issues delay crew changes or which may cause us to incur off hire to effect such changes. Possible delays due to quarantine of our vessels caused by COVID-19 infection of our crew or other COVID-19 related disruptions may lead to the termination of charters leaving our vessels without employment. Any prolonged restrictive measures in order to control the novel coronavirus or other adverse global public health developments may have a material and adverse effect on our business operations and demand for our vessels generally. Furthermore, the global recession caused by the pandemic could be prolonged and could also severely affect financing institutions. If any such impact on the financial system is not addressed, we may find it difficult to finance loans that are maturing or to obtain financing for new projects, thus materially affecting our financial position.

The extent of the COVID-19 outbreak's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak, any resurgence or mutation of the virus, the availability of vaccines and their global deployment, the development of effective treatments, the imposition of effective public safety and other protective measures and the public's response to such measures. There continues to be a high level of uncertainty relating to how the pandemic will evolve, how governments and consumers will react and progress on the approval and distribution of vaccines, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, the ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore we cannot predict the impact it may have on our future operations, which impact could be material and adverse, particularly if the pandemic continues to evolve into a severe worldwide health crisis.

At present, it is not possible to ascertain the overall impact of COVID-19 on our business. However, the occurrence of any of the foregoing events or other epidemics or an increase in the severity or duration of the COVID-19 or other epidemics could have a material adverse effect on our business, results of operations, cash flows, financial condition, value of our vessels, and ability to pay dividends.

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 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

The market value of our vessels may fluctuate significantly, which could cause us to breach covenants in our credit facilities and result in foreclosure on our mortgaged vessels.

If the market value of our owned vessels decreases, we may be required to record additional impairment charges in our consolidated financial statements that, among other things, could cause us to breach covenants contained in our credit facilities, which could adversely affect our financial results. If we breach the covenants in our credit facilities and are unable to remedy any relevant breach, our lenders could accelerate our debt and foreclose on the collateral, including our vessels. Any loss of vessels would significantly decrease our ability to generate positive cash flow from operations and therefore service our debt.

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 credit facilities may fluctuate and may impact our operations.

As of December 31, 2021, the total borrowings amounted to $1,374.4 million. We have the ability to incur additional debt, subject to limitations in our credit facilities. 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 credit facilities also will depend on market interest rates, since the interest rates applicable to our borrowings will fluctuate with the London Interbank Offered Rate ("LIBOR"), or the prime rate. 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.

As LIBOR is replaced as the reference rate under our debt obligations, it could affect our profitability, earnings and cash flow.

Uncertainty surrounding a phase-out of LIBOR may adversely affect the trading market for LIBOR-based agreements, which could negatively affect our operating results and financial condition as well as on our cash flows, including cash available for distributions to our unitholders. We are continuing to evaluate the risks resulting from a termination of LIBOR and our credit facilities generally have fallback provisions in the event of the unavailability of LIBOR, but those fallback provisions and related successor benchmarks may create additional risks and uncertainties.

The publication of LIBOR is expected to be discontinued in mid-2023. The U.S. banking agencies issued guidance instructing banks to cease entering into new contracts referencing LIBOR no later than December 31, 2021, with certain exceptions. The Federal Reserve Bank of New York now publishes the Secured Overnight Financing Rate based on overnight U.S. Treasury repurchase agreement transactions, which has been recommended as the alternative to U.S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve and the Federal Reserve Bank of New York. Accordingly, the method and rate used to calculate our interest rates and/or payments on our floating-rate debt in the future may result in interest rates and/or payments that are higher than, or that do not otherwise correlate over time with, the interest rates and/or payments that would have been applicable to our obligations if LIBOR was available in its current form, which could have a material adverse effect on our financial position, results of operations and liquidity.

Our credit facilities 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, 2021, the outstanding loan balance under Navios Partners' borrowings, net of deferred finance costs, was $1,361.7 million.

The operating and financial restrictions and covenants in our credit facilities and any future credit facilities 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 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 credit facilities 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 105% 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) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth ranging from $30.0 million to $135.0 million.

It is an event of default under the credit facilities 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 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 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 credit facilities 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 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, 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 credit facilities 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 containership and drybulk 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. For example, on March 13, 2019, we were notified by the NYSE that we were no longer in compliance with the NYSE's continued listing standards because the average closing price of our common stock over a consecutive 30 trading-day period was less than $1.00 per common unit. Although we regained compliance on May 21, 2019, following a reverse split of our common units, we cannot assure you that we will continue to satisfy the NYSE minimum listing standards and our securities will continue to be listed on the NYSE in the future.

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 COVID-19 pandemic and the Russian/Ukrainian conflict;
- 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 initially our debt will bear interest at a floating rate, subject to any interest rate swaps we may enter into the future.

Substantial future sales 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 effect 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” 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. In addition, concurrently with the successful consummation of the initial business combination by Navios Acquisition, on May 28, 2010, because of the overlap between Navios Acquisition, Navios Holdings and us, with respect to possible acquisitions under the terms of the Omnibus Agreement, we entered into a business opportunity right of first refusal agreement which provides the types of business opportunities in the marine transportation and logistics industries, we, Navios Holdings and Navios Acquisition must share with the each other.

In connection with Navios Maritime Midstream Partners L.P. (“Navios Midstream”) initial public offering and effective November 18, 2014, Navios Partners entered into the Omnibus Agreement with Navios Midstream, Navios Acquisition and Navios Holdings (the “Navios Midstream Omnibus Agreement”) pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any very large crude carriers (“VLCCs”), crude oil tankers, refined petroleum product tankers, liquefied petroleum gas (“LPG”) tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

In connection with the Navios Containers private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Partners entered into an omnibus agreement with Navios Containers, Navios Holdings, Navios Acquisition and Navios Midstream (the "Navios Containers Omnibus Agreement"), pursuant to which Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream have granted to Navios Containers a right of first refusal over any container vessels to be sold or acquired in the future. The omnibus agreement contains significant exceptions that will allow Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream to compete with Navios Containers under specified circumstances.

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 Containers and the Manager, and 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 fails 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 "passive foreign investment company" ("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 certain types 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 those types of "passive income". Based on our current and projected methods of operations, and an opinion of counsel, we believe that we were not a PFIC for any taxable year, and we do not believe that we will be a PFIC for 2021 and subsequent taxable years. 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 our 2021 taxable year, and we expect that we will not become a PFIC with respect to any other taxable year. 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 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. 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) applies, 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 2021 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. 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. 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 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, 2021, or at any time during 2021, 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. 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 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 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 were to become a CFC, any U.S. holder owning 10% or more (by vote or value), directly, indirectly, or constructively (but not through downward attribution), of our equity could be subject to U.S. federal income tax in respect of a portion of our earnings. 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 U.S. federal tax consequences that may result from Navios Partners being treated as a CFC (*see "Material U.S. Federal Income Tax Considerations – U.S. Federal Income Taxation 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.

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 Navios Holdings, 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 April 1, 2022, Navios Holdings directly owned 3,183,199 common units, which represented a 10.3% ownership interest in Navios Parnters. As of April 1, 2022, our general partner owned all 622,555 outstanding general partner units, which represented a 2.0% ownership interest in us based on all outstanding common units and general partner 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 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. Navios Holdings currently owns approximately 10.5% of the total number of outstanding common units.
- 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, including Navios Holdings, 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.

Navios Holdings is our main unitholder owning an approximate 10.5% of the total number of outstanding common units. In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interests in the Company to N Shipmanagement Acquisition Corp. and related entities, affiliated with the Company's Chairwoman and Chief Executive Officer. Our general partner owns all of our general partner units representing a 2.0% ownership interest in us based on all outstanding common units and general partner 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 Manager owns 3.7% of the total number of outstanding common units. The interests of Navios Holdings and of our general partner and its affiliates, including the Manager, 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. Our Chief Executive Officer is also the Chief Executive Officer of Navios Holdings. Navios Holdings conducts substantial businesses and activities of their own. If these separate activities are significantly greater than our activities, there will be material competition for the time and effort of our officers, who also provide services to Navios Holdings and their respective affiliates. 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 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. Conflicts of interest may arise between Navios Holdings, 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, a commercial and technical management fee under the Management Agreements, as well as an administrative services fee under the Administrative Services Agreement.

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 see the section entitled, “Item 5. Operating and Financial Review and Prospects - A. Operating results – Vessel operating expenses”.

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, 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 partner units representing an approximately 2.0% ownership interest in Navios Partners based on all outstanding units and general partner 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 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

On March 28, 2022, Navios Partners entered into a new credit facility with a commercial bank for a total amount of up to $55.0 million in order to refinance the existing indebtedness of three of its vessels and for general corporate purposes. The credit facility matures in March 2027 and bears interest at daily cumulative or non-cumulative compounded RFR rate (as defined in the loan agreement) plus 2.25% per annum. On March 31, 2022, the entire amount was drawn under this loan.

Please read "Item 5. Operating and Financial Review and Prospects - B. Liquidity and Capital Resources – Credit Facilities – Financial Liabilities" for a full description of the financing arrangements of the Company as of December 31, 2021.

Distributions

In January 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2021 of $0.05 per unit. The distribution was paid on February 11, 2022 to all unitholders of common units and general partner units of record as of February 9, 2022. The aggregate amount of the declared distribution was $1.5 million.

Equity Offerings and Issuances

On May 21, 2021, Navios Partners entered into a new 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 $110.0 million. As of April 1, 2022, since the commencement of the $110.0m Sales Agreement, Navios Partners has issued 3,963,249 units and received net proceeds of $103.7 million. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were approximately $2.2 million.

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 common units having an aggregate offering price of up to $75.0 million. As of April 1, 2022, since the commencement of the $75.0m Sales Agreement, Navios Partners has issued 2,437,624 units and received net proceeds of $73.1 million. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were approximately $1.5 million.

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 common units having an aggregate offering price of up to $25.0 million. An amended Sales Agreement was entered into on August 3, 2020. As of April 1, 2022, since the commencement of sales pursuant to the amended Sales Agreement, Navios Partners has issued 1,286,857 units and received net proceeds of $23.9 million. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were $0.5 million.

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 partner units, resulting in net proceeds of $3.9 million (see Note 3 – Acquisition of Navios Containers and Navios Acquisition to our consolidated financial statements, included elsewhere in this Annual Report).

Pursuant to the terms of the NNA merger agreement, each outstanding common unit of Navios Containers 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 partner units, resulting in net proceeds of $1.9 million (see Note 3 – Acquisition of Navios Containers and Navios Acquisition to our consolidated financial statements, included elsewhere in this Annual Report).

Acquisitions and Sales of Vessels

Acquisitions of Vessels

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 $62.8 million each. The vessels are expected to be delivered into Navios Partners' fleet during the first and the second half of 2024. Navios Partners agreed to pay in total $25.1 million in four installments for each vessel and the remaining amount of $37.7 million plus extras for each vessel will be paid upon delivery of the vessel. The closing of the transaction of the two optional containerships is subject to completion of customary documentation.

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 $61.6 million 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 $18.5 million in three installments for each vessel and the remaining amount of $43.1 million for each vessel plus extras will be paid upon delivery of the vessel. On November 15, 2021, the first installment of each vessel of $6.2 million, or $12.3 million accumulated for the two vessels, was paid.

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 $61.6 million each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2023 and first half of 2024. Navios Partners agreed to pay in total $18.5 million in three installments for each vessel and the remaining amount of $43.1 million for each vessel plus extras will be paid upon delivery of the vessel. On August 13, 2021, the first installment of each vessel of $6.2 million, or $24.6 million accumulated for the four vessels, was paid.

On June 30, 2021, Navios Partners agreed to acquire a newbuilding Panamax vessel, from an unrelated third party, for a purchase price of $34.3 million. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the first half of 2023. Navios Partners agreed to pay in total $34.3 million, of which $3.4 million was paid in July 2021 and the remaining amount of $30.9 million will be paid in 2022 and first half of 2023. In January 2022, Navios Partners declared its option to purchase the vessel. 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 the vessel, under a ten-year bareboat contract, from an unrelated third party.

In June 2021, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total $12.0 million, representing a deposit for the option to acquire the vessel after the end of the fourth year of which $6.0 million was paid in September 2021 and the remaining amount of $6.0 million will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the second half of 2022. In September 2021, Navios Partners declared its option to purchase the vessel.

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 Panamax vessel, under a ten-year bareboat contract, from an unrelated third party. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the second half of 2022. Navios Partners agreed to pay in total $6.3 million, of which $3.2 million was paid in April 2021 and the remaining amount will be paid during the first quarter of 2022. In December 2021, Navios Partners declared its option to purchase the vessel.

On March 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total $3.5 million, representing a deposit for the option to acquire the vessel after the end of the fourth year of which $1.8 million was paid in August 2021 and the remaining amount will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the first half of 2023.

On January 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract each, from an unrelated third party, three newbuilding Capesize vessels of approximately 180,000 dwt each. Navios Partners has the options to acquire the vessels after the end of year four for the remaining period of the bareboat charters. Navios Partners agreed to pay in total $10.5 million, representing a deposit for the options to acquire the vessels after the end of the fourth year, of which $5.3 million was paid in August 2021 and the remaining amount will be paid upon the delivery of the vessels. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2022 and the first half of 2023.

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 $30.0 million.

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 $58.0 million.

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 $28.6 million (including $0.1 million capitalized expenses).

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $39.3 million (including $0.1 million 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 $55.5 million.

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.

Sales of Vessels

In February 2022, Navios Partners agreed to sell the Navios Utmost and the Navios Unite, two 2006-built Containerships of 8,204 TEU each, to an unrelated third party for an aggregate sales price of $220.0 million. The sale is expected to be completed during the second half of 2022 and the gain on sale of vessels is expected to be approximately $144.3 million.

On October 29, 2021, Navios Partners sold the Navios Altair I, a 2006-built Panamax vessel of 74,475 dwt, to an unrelated third party for a net sales price of $13.5 million.

On August 16, 2021, Navios Partners sold the Harmony N, a 2006-built Containership of 2,824 TEU, to an unrelated third party for a net sales price of $28.4 million.

On August 13, 2021, Navios Partners sold the Navios Azalea, a 2005-built Panamax vessel of 74,759 dwt, to an unrelated third party for a net sales price of $12.6 million.

On July 31, 2021, Navios Partners sold the Navios Dedication, a 2008-built Containership of 4,250 TEU, to an unrelated third party for a net sales price of $33.9 million.

On March 25, 2021, the Company sold the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sales price of $8.2 million.

On February 10, 2021, the Company sold the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sales price of $8.9 million.

On January 28, 2021, the Company sold the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sales price of $11.1 million.

On January 13, 2021, the Company sold the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sales price of $4.6 million.

B. Business Overview

Introduction

We are an international owner and operator of dry cargo and tanker vessels formed by Navios Holdings (NYSE: NM). Our vessels are generally chartered-out under short-term, medium and long-term time charters with an average remaining charter duration of approximately 1.8 years to a strong group of counterparties, including Cargill International S.A., Singapore Marine Pte Ltd., Hapag Lloyd, Zim, HMM, Cosco, Maersk, Chevron, Vitol, Aramco and Shell.

Our Fleet

Navios Partners' fleet consists of 26 Panamax vessels, 24 Capesize vessels, four Ultra-Handymax vessels, 47 Containerships and 45 Tankers, including three newbuilding Capesize bareboat charter-in vessels expected to be delivered by the second half of 2022, two newbuilding Capesize bareboat charter-in vessels expected to be delivered by the first half of 2023, two newbuilding Panamax vessels expected to be delivered by the second half of 2022 and first half of 2023, one newbuilding VLCC bareboat charter-in vessel expected to be delivered by the second half of 2022, ten newbuilding Containerships expected to be delivered by the second half of 2023 and in 2024 and two Containerships agreed to be sold and expected to be delivered in the second half of 2022.

We generate revenues by charging our customers for the use of our vessels to transport their dry cargo commodities, containers, crude oil, refined petroleum products and/or bulk liquid chemicals. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to twelve 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 Apri 1, 2022:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios La Paix	Ultra-Handymax	2014	61,485	—	111% average BSI 58 10TC	April 2023
Navios Christine B	Ultra-Handymax	2009	58,058	$32,725	No	June 2022
Navios Amaryllis	Ultra-Handymax	2008	58,735	—	—	Spot
Serenitas N	Ultra-Handymax	2011	56,644	—	99.0% average BSI 58 10TC	July 2023
Navios Hyperion	Panamax	2004	75,707	$23,275	No	May 2022
Navios Alegria	Panamax	2004	76,466	—	99.5% average BPI 4TC	May 2022
Navios Orbiter	Panamax	2004	76,602	$17,813	No	May 2022
Navios Helios	Panamax	2005	77,075	—	100.0% average BPI 4TC	October 2022
Navios Sun	Panamax	2005	76,619	—	100.0% average BPI 4TC	January 2023
Navios Hope	Panamax	2005	75,397	—	100% average BPI 4TC	March 2023
Navios Sagittarius[5]	Panamax	2006	75,756	$28,500	No	August 2022
Navios Harmony	Panamax	2006	82,790	$28,500	No	July 2022
Navios Prosperity I	Panamax	2007	75,527	$33,250	No	April 2022
Navios Libertas	Panamax	2007	75,511	$16,625	No	April 2022
Navios Symmetry	Panamax	2006	74,381	$11,804	No	April 2022
Navios Apollon I	Panamax	2005	87,052	—	105.0% average BPI 4TC	November 2022
Navios Sphera	Panamax	2016	84,872	—	108.0% average BPI 82	February 2023
Navios Camelia	Panamax	2009	75,162	$20,900	No	May 2022
Navios Anthos	Panamax	2004	75,798	$19,855	No	April 2022
Copernicus N	Panamax	2010	93,062	—	108.0% average BPI 4TC	August 2022
Unity N	Panamax	2011	79,642	—	100.0% average BPI 4TC	May 2022
Odysseus N	Panamax	2011	79,642	$28,500	No	May 2022
Navios Victory	Panamax	2014	77,095	—	112.0% average BPI 4TC	April 2022
				$12,513	No	June 2022
Navios Avior	Panamax	2012	81,335	$19,475	No	April 2022
Navios Centaurus	Panamax	2012	81,472	$32,300	No	April 2022
Navios Beaufiks[6]	Capesize	2004	180,310	$22,563	No	September 2023
Navios Symphony	Capesize	2010	178,132	—	97.0% average BCI 5TC	December 2022
Navios Fantastiks[7]	Capesize	2005	180,265	$21,650	No	March 2023
Navios Aurora II	Capesize	2009	169,031	—	95.25% average BCI 5TC	May 2022
Navios Pollux[7]	Capesize	2009	180,727	—	100.0% of pool earnings	June 2022
Navios Sol[8]	Capesize	2009	180,274	$33,400	No	September 2022
				—	110.0% average BCI 5TC	March 2023
Navios Fulvia	Capesize	2010	179,263	—	100.0% average BCI 5TC	January 2023
Navios Buena Ventura	Capesize	2010	179,259	—	100.5% average BCI 5TC	March 2023
Navios Melodia	Capesize	2010	179,132	$29,356	Profit sharing 50.0% above $37,500/day based on Baltic Exchange Capesize TC Average	April 2022
Navios Luz	Capesize	2010	179,144	—	102.0% average BCI 5TC	May 2023
Navios Ace[9]	Capesize	2011	179,016	—	107.25% average BCI 5TC	February 2023
Navios Aster	Capesize	2010	179,314	$27,731	No	February 2023
Navios Joy	Capesize	2013	181,389	Freight Voyage	No	August 2022
Navios Gem	Capesize	2014	181,336	$17,623	No	April 2022
				$28,500	No	January 2023
Navios Mars	Capesize	2016	181,259	—	126.0% average BCI 5TC	October 2023
Navios Koyo	Capesize	2011	181,415	—	111.0% average BCI 5TC	March 2023
Navios Ray[10]	Capesize	2012	179,515	—	102.0% average BCI 5TC	January 2023
Navios Bonavis[7]	Capesize	2009	180,022	—	101.5% average BCI 5TC	March 2023

Navios Azimuth	Capesize	2011	179,169	—	100.0% average BCI 5TC	January 2023

Owned Containerships	Type	Built	Capacity (TEU)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Spectrum N	Containership	2009	2,546	$15,800	No	May 2022
				$36,538	No	March 2025
Protostar N	Containership	2007	2,741	$17,775	No	July 2022
				$46,556	No	October 2025
Fleur N	Containership	2012	2,782	$19,750	No	March 2024
Ete N	Containership	2012	2,782	$19,750	No	February 2024
Navios Summer[11]	Containership	2006	3,450	$16,960	No	May 2022
				$45,480	No	May 2023
				$39,795	No	May 2024
				$30,320	No	May 2025
				$20,845	No	May 2026
				$34,110	No	September 2026
Matson Oahu[11]	Containership	2006	3,450	$22,713	No	May 2023
Navios Spring[11]	Containership	2007	3,450	$10,326	No	April 2022
				$58,500	No	May 2025
Navios Vermilion[11]	Containership	2007	4,250	$54,313	No	December 2022
				$45,425	No	December 2023
				$23,972	No	November 2024
				$41,722	No	December 2024
Navios Indigo[11]	Containership	2007	4,250	$22,713	No	April 2022
				$63,375	No	April 2023
				$43,875	No	April 2024
				$34,125	No	April 2025
				$24,375	No	April 2026
				$41,438	No	August 2026
Matson Lanai (ex Navios Amaranth)[11]	Containership	2007	4,250	$55,794	No	July 2025
Navios Amarillo[11]	Containership	2007	4,250	$20,845	No	January 2023
				$92,381	No	January 2024
				$63,956	No	January 2025
				$28,425	No	January 2026
				$9,475	No	January 2028
Navios Verde[11]	Containership	2007	4,250	$20,845	No	June 2023
Navios Azure[11]	Containership	2007	4,250	$22,678	No	October 2022

Owned Containerships	Type	Built	Capacity (TEU)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Domino[11]	Containership	2008	4,250	$24,934	No	June 2023
Navios Delight[11]	Containership	2008	4,250	$45,425	No	January 2024
Navios Destiny[11]	Containership	2009	4,250	$54,313	No	November 2022
				$45,425	No	November 2023
				$23,972	No	October 2024
				$41,722	No	November 2024
Navios Devotion[11]	Containership	2009	4,250	$63,375	No	March 2023
				$43,875	No	March 2024
				$34,125	No	March 2025
				$24,375	No	March 2026
				$41,438	No	July 2026
Navios Lapis	Containership	2009	4,250	$31,353	No	May 2023
Navios Tempo	Containership	2009	4,250	$44,438	No	September 2025
Navios Dorado	Containership	2010	4,250	$21,676	No	June 2023
Navios Felicitas	Containership	2010	4,360	$63,375	No	January 2023
				$43,875	No	January 2024
				$34,125	No	January 2025
				$24,375	No	January 2026
				$41,438	No	May 2026
Bahamas	Containership	2010	4,360	$22,219	No	December 2022
				$60,000	No	May 2025
Bermuda	Containership	2010	4,360	$61,114	No	March 2023
				$42,164	No	March 2024
				$32,689	No	March 2025
				$23,214	No	March 2026
				$39,795	No	July 2026
Navios Miami	Containership	2009	4,563	$54,313	No	November 2022
				$45,425	No	November 2023
				$23,972	No	October 2024
				$41,722	No	November 2024
Navios Magnolia	Containership	2008	4,730	$54,313	No	November 2022
				$45,425	No	November 2023
				$23,972	No	October 2024
				$41,722	No	November 2024
Navios Jasmine	Containership	2008	4,730	$21,825	No	December 2022
				$60,000	No	April 2025
Navios Chrysalis	Containership	2008	4,730	$30,083	No	July 2023
Navios Nerine	Containership	2008	4,730	$54,313	No	October 2022
				$45,425	No	October 2023
				$23,972	No	September 2024
				$41,722	No	October 2024
Hyundai Hongkong[4]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Singapore[4]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Tokyo[4]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Shanghai[4]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Hyundai Busan[4]	Containership	2006	6,800	$30,119	No	December 2023
				$21,083	No	December 2028
Navios Utmost[12][35]	Containership	2006	8,204	$21,656	No	September 2022
Navios Unite[12][35]	Containership	2006	8,204	$27,840	No	September 2022
Navios Unison[13]	Containership	2010	10,000	$26,276	No	June 2026
Navios Constellation[13]	Containership	2011	10,000	$26,276	No	June 2026

Owned Tanker Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Profit Sharing Arrangements	Expiration Date[3]
Nave Cosmos[14]	Chemical Tanker	2010	25,130	Floating Rate	No	June 2022
Nave Polaris[14]	Chemical Tanker	2011	25,145	Floating Rate	No	June 2022
Perseus N[15][37]	MR1 Product Tanker	2009	36,264	$11,356	No	May 2022
Star N	MR1 Product Tanker	2009	37,836	$11,603	No	June 2022
Hector N	MR1 Product Tanker	2008	38,402	$12,591	No	June 2022
Nave Dorado[17]	MR2 Product Tanker	2005	47,999	$6,419	Yes	July 2022
Nave Aquila	MR2 Product Tanker	2012	49,991	$12,838	No	April 2022
				$15,208	No	September 2022
Nave Atria[18]	MR2 Product Tanker	2012	49,992	$13,948	No	May 2023
Nave Capella[20][13]	MR2 Product Tanker	2013	49,995	$12,898	No	July 2022
Nave Alderamin[20][13]	MR2 Product Tanker	2013	49,998	$12,898	No	May 2022
Nave Pyxis[19][36]	MR2 Product Tanker	2014	49,998	$14,293	No	July 2022
Nave Bellatrix	MR2 Product Tanker	2013	49,999	$10,665	No	April 2022
				$13,084	No	June 2022
Nave Orion	MR2 Product Tanker	2013	49,999	$12,898	No	June 2022
Nave Titan[16][13]	MR2 Product Tanker	2013	49,999	$12,657	No	August 2022
Nave Luminosity	MR2 Product Tanker	2014	49,999	$14,813	No	November 2022
Nave Jupiter[22]	MR2 Product Tanker	2014	49,999	$15,504	No	August 2022
Nave Velocity[23][13]	MR2 Product Tanker	2015	49,999	$15,553	No	October 2024
Nave Sextans[13]	MR2 Product Tanker	2015	49,999	$13,764	No	May 2022
Nave Orbit[24][37]	MR2 Product Tanker	2009	50,470	$14,418	No	March 2023
Nave Equator[6]	MR2 Product Tanker	2009	50,542	$14,500	No	May 2022
				$13,500	No	October 2022
Bougainville[36]	MR2 Product Tanker	2013	50,626	$13,578	No	August 2022
Nave Equinox[25][37]	MR2 Product Tanker	2007	50,922	$12,591	No	September 2022
Nave Pulsar[6]	MR2 Product Tanker	2007	50,922	$10,683	No	April 2022
Aurora N[27]	LR1 Product Tanker	2008	63,495	Floating Rate	No	June 2022
Lumen N[27]	LR1 Product Tanker	2008	63,599	Floating Rate	No	June 2022
Nave Cetus[28][13]	LR1 Product Tanker	2012	74,581	$14,138	No	December 2022
Nave Ariadne[5][27]	LR1 Product Tanker	2007	74,671	Floating Rate	No	June 2022
Nave Cielo[5]	LR1 Product Tanker	2007	74,671	$12,994	No	May 2022
Nave Rigel[28]	LR1 Product Tanker	2013	74,673	$14,138	No	December 2022
Nave Atropos[36]	LR1 Product Tanker	2013	74,695	$14,813	No	September 2022
Nave Cassiopeia[13][29]	LR1 Product Tanker	2012	74,711	Floating Rate	No	May 2022
Nave Andromeda[13][29]	LR1 Product Tanker	2011	75,000	Floating Rate	No	May 2022
Nave Estella[13][30]	LR1 Product Tanker	2012	75,000	$13,716	No	June 2022
Nave Constellation[34]	VLCC	2010	296,988	Floating Rate	Yes	December 2022
Nave Universe[31]	VLCC	2011	297,066	$17,775	Yes	April 2022
Nave Galactic[31]	VLCC	2009	297,168	$17,775	Yes	June 2022
Nave Spherical[32]	VLCC	2009	297,188	Floating Rate	No	January 2023
Nave Quasar[33]	VLCC	2010	297,376	$16,788	Yes	February 2023
Nave Photon[34]	VLCC	2008	297,395	Floating Rate	Yes	December 2022
Nave Buena Suerte[21]	VLCC	2011	297,491	$47,906	Yes	June 2025
Nave Synergy	VLCC	2010	299,973	$32,588	No	April 2022

Bareboat Chartered-in vessel	Type	Built	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
Navios Libra	Panamax	2019	82,011	$29,099	—	June 2022
				—	109.75% average BPI 82	June 2024
Navios Amitie	Panamax	2021	82,002	$33,177	—	June 2022
				—	110.0% average BPI 82	January 2024
Navios Star	Panamax	2021	81,994	—	110.0% average BPI 82	February 2024
Nave Electron[21]	VLCC	2021	313,239	$47,906	Yes	July 2026
Baghdad[26]	VLCC	2020	313,433	$27,816	No	September 2030
Erbil[26]	VLCC	2021	313,486	$27,816	No	February 2031

Bareboat Chartered-in vessels to be delivered	Type	Delivery Date	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
TBN I	Capesize	H2 2022	180,000	—	—	—
TBN II	Capesize	H2 2022	180,000	—	—	—
TBN III	Capesize	H2 2022	180,000	—	—	—
TBN VII	Capesize	H1 2023	180,000	—	—	—
TBN V	Capesize	H1 2023	180,000	—	—	—
TBN XIV[38]	VLCC	H2 2022	310,000	Floating Rate	Yes	May 2024

Drybulk Vessels - Panamax to be Delivered	Type	Delivery Date	Capacity (DWT)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
TBN IV	Panamax	H2 2022	81,000	—	—	—
TBN VI	Panamax	H1 2023	81,000	—	—	—

Owned Containerships to be Delivered	Type	Delivery Date	Capacity (TEU)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
TBN VIII	Containership	H2 2023	5,300	$42,900	No	September 2024
				$39,000	No	September 2025
				$37,050	No	September 2026
				$35,100	No	September 2027
				$31,200	No	September 2028
				$37,050	No	November 2028
TBN IX	Containership	H2 2023	5,300	$42,900	No	December 2024
				$39,000	No	December 2025
				$37,050	No	December 2026
				$35,100	No	December 2027
				$31,200	No	December 2028
				$37,050	No	February 2029
TBN X	Containership	H1 2024	5,300	$42,900	No	June 2025
				$39,000	No	June 2026
				$37,050	No	June 2027
				$35,100	No	June 2028
				$31,200	No	June 2029
				$37,050	No	August 2029
TBN XI	Containership	H1 2024	5,300	$42,900	No	June 2025
				$39,000	No	June 2026
				$37,050	No	June 2027
				$35,100	No	June 2028
				$31,200	No	June 2029
				$37,050	No	August 2029
TBN XII	Containership	H2 2024	5,300	$42,900	No	September 2025
				$39,000	No	September 2026
				$37,050	No	September 2027
				$35,100	No	September 2028
				$31,200	No	September 2029
				$37,050	No	November 2029

Owned Containerships to be Delivered	Type	Delivery Date	Capacity (TEU)	Charter-Out Rate[1]	Index[2]	Expiration Date[3]
TBN XIII	Containership	H2 2024	5,300	$42,900	No	November 2025
				$39,000	No	November 2026
				$37,050	No	November 2027
				$35,100	No	November 2028
				$31,200	No	November 2029
				$37,050	No	January 2030
TBN XV	Containership	H1 2024	5,300	$42,900	No	January 2025
				$39,000	No	January 2026
				$37,050	No	January 2027
				$35,100	No	January 2028
				$31,200	No	January 2029
				$37,050	No	March 2029
TBN XVI	Containership	H1 2024	5,300	$42,900	No	May 2025
				$39,000	No	May 2026
				$37,050	No	May 2027
				$35,100	No	May 2028
				$31,200	No	May 2029
				$37,050	No	July 2029
TBN XVII	Containership	H2 2024	5,300	$37,500	No	April 2030
TBN XVIII	Containership	H2 2024	5,300	$37,500	No	April 2030

(1) Daily charter-out rate per day, net of commissions.
(2) Index rates exclude commissions.
(3) Estimated dates assuming the midpoint or company's best estimate of the redelivery period by charterers.
(4) Includes five optional years (owners' option) starting 2023.
(5) The vessel is subject to a sale and leaseback transaction for a period of up to three years, at which time we have an obligation to purchase the vessel.
(6) The vessel is subject to a sale and leaseback transaction for a period of up to five years, at which time we have an obligation to purchase the vessel.
(7) The vessel is subject to a sale and leaseback transaction for a period of up to six years, at which time we have an obligation to purchase the vessel.
(8) The vessel is subject to a sale and leaseback transaction for a period of up to ten years, at which time we have an obligation to purchase the vessel.
(9) The vessel is subject to a sale and leaseback transaction for a period of up to 11 years, at which time we have an obligation to purchase the vessel.
(10) The vessel is subject to a sale and leaseback transaction for a period of up to nine years, at which time we have an obligation to purchase the vessel.
(11) The vessel is subject to a sale and leaseback transaction for a period of up to five years, at which time we have an obligation to purchase the vessel.
(12) The vessel is subject to a sale and leaseback transaction for a period of up to five years, at which time we have an obligation to purchase the vessel.
(13) The vessel is subject to a sale and leaseback transaction for a period of up to seven years, at which time we have an obligation to purchase the vessel.
(14) Rate based on Delta-8 pool earnings.
(15) Charterer's option to extend the charter for six months at $12,590 net per day.
(16) Charterer's option to extend the charter for up to six months at $13,716 net per day.

(17) Profit sharing arrangement of 100% above $6,419 and 25% above $8,888.
(18) Charterer's option to extend the charter for up to 18 months at $14,887 net per day.
(19) Charterer's option to extend the charter for up to six months at $15,881 net per day.
(20) Charterer's option to extend the charter for up to six months at $13,956 net per day.
(21) Profit sharing arrangement of 35% above $54,388, 40% above $59,388 and 50% above $69,388.
(22) Charterer's option to extend the charter for an optional year at $16,491 net per day.
(23) 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.
(24) Charterer's option to extend the charter for up to 18 months at $15,306 net per day.
(25) The premium for when the vessel is trading on ice or follow ice breaker is $1,481 per day.
(26) Charterer's option to extend the bareboat charter for five years at $29,751 net per day.
(27) Rate based on Penfield pool earnings.
(28) Charterer's option to extend the charter for three months at $16,088 net per day.
(29) Rate based on LR8 pool earnings.
(30) Charterer's option to extend the charter for six months at $15,400 net per day.
(31) Contract provides adjusted BITR TD3C-TCE index with a floor of $17,775, 100% to Navios up to collar $38,759 and 50% thereafter. Charterer's option to extend for six months at same terms.
(32) Contract provides 100% of BITR TD3C-TCE index plus $4,875 premium. Charterer's option to extend for one year at TD3C-TCE index plus $1,463 premium.
(33) Contract provides 100% of BITR TD3C-TCE index up to $37,031 and 50% thereafter with $16,788 floor.
(34) Contract provides 100% of BITR TD3C-TCE index up to $17,775 and 50% thereafter with a floor at $2,963 and collar at $29,625
(35) Vessel agreed to be sold.
(36) The vessel is subject to a sale and leaseback transaction for a period of up to eight years, at which time we have an obligation to purchase the vessel.
(37) The vessel is subject to a sale and leaseback transaction for a period of up to four years, at which time we have an obligation to purchase the vessel.
(38) Bareboat charter based on adjusted TD3C-WS with a floor of $22,572 and collar of $29,700.

Our Competitive Strengths

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

- *Stable cash flows*. Our acquisitions of Navios Containers and Navios Acquisition built us scale through a larger, diversified asset base that has an increased earnings capacity. The combinations also enhance our credit profile by increasing cash flow to support our growth and deleveraging initiatives. We opportunistically seek to fix our vessels longer term during market highs and for shorter periods during market low to avail of any market upturn. In addition, we believe that the potential opportunity to purchase additional vessels from Navios Holdings, other affiliates and through the secondary market provides us a pipeline for revenue growth. We believe that our Management Agreements, which have been extended until January 1, 2025, will continue to provide us with predictable expenses and our simplified capital and organizational structure post Mergers will reduce our administrative costs.

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

  An optimized charter strategy that leads to consistent profitability - Our container fleet is enjoying historically high charter rates. Operating in this backdrop, we have opted to fix our container fleet on long-term charters with almost 100% of our available containership days fixed for 2022. 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 to their historical 20-year averages. We have fixed only 35.0% of our available drybulk fleet days for 2022 and have opted to keep 65.0% of our 2022 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, current charter rates are significantly below their 20-year average levels. We have 54.9% of our 2022 available tanker days fixed, including favorable legacy charters.

  Capturing cyclical opportunity that allows for optimal capital allocation - We allocate our capital efficiently. For example, we have made a $1.0 billion investment in 18 newbuilding vessels that will deliver to our fleet through 2024. 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. We also engaged in the routine and continuous management of our fleet age profile in the dry bulk and tanker space. During 2021, seven newbuilding drybulk vessels were acquired at prices below their long-term averages. In addition, in 2020 we exercised an option to acquire one newbuilding VLCC at a price below its long-term average. We also look to opportunistically sell vessels when we can avail of a good return to reallocate capital. For example, we recently capitalized on the strength in containership values by selling two 16-year-old vessels for $220 million.

Countering sectors specific volatility leads to balance sheet strength. Our diversified asset portfolio provides balance sheet stability from the vagaries of specific sectors. While containership values are at their historical highs, dry bulk and tanker vessel values are significantly below their all-time highs. This variation in asset values balances out through our diversified fleet, leaving us with a significant equity value.

- *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 its network of strong relationships with many of the world's dry cargo raw material producers, agricultural traders and exporters, 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.

- *Operating visibility through contracted revenues*. We believe our existing employment coverage provides us with predictable, contracted revenues and operating visibility. As of April 1, 2022, we had contracts covering 60.1% of available days in 2022.

- *Diversified fleet*. Our diversified fleet, which includes Capesize, Panamax, and Ultra Handymax drybulk ships, VLCC, product and chemical 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. Panamax and Ultra Handymax vessels carry coal and grain and other bulk commodities worldwide. 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, jetfuel and gasoil, and principally operate on short– to medium–haul routes. Chemical tankers transport primarily organic and inorganic chemicals, vegetable oils and animal fats. 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, tanker and container transportation sectors provides us with a more balanced exposure to the commodities we transport and a diversified platform for revenue generation.

- *High-quality, flexible fleet*. Following the Mergers, our fleet consists of 26 Panamax vessels, 24 Capesize vessels, four Ultra-Handymax vessels, 47 Containerships and 45 Tankers, including three newbuilding Capesize bareboat charter-in vessels expected to be delivered by the second half of 2022, two newbuilding Capesize bareboat charter-in vessels expected to be delivered by the first half of 2023, two newbuilding Panamax vessels expected to be delivered by the second half of 2022 and first half of 2023, one newbuilding VLCC bareboat charter-in vessel expected to be delivered by the second half of 2022, ten newbuilding Containerships expected to be delivered by the second half of 2023 and in 2024 and two Containerships agreed to be sold and expected to be delivered in the second half of 2022. Our fleet has an average age of 9.7 years as of April 1, 2022, basis fully delivered fleet, (average age of 9.9 years for drybulk fleet, 10.8 years for containerships fleet and 9.0 years for the tanker fleet), compared to a current industry average age of about 11.1 years for the drybulk fleet, 13.8 years for the containerships fleet and 11.8 years for the tanker fleet (all industry averages as of March 2022). 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 drybulk, 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 April 1, 2022 and pursuant to the Mergers, the vessels in our fleet have an average remaining charter duration of approximately 1.8 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 Navios Holdings' 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 of attractive values available through market cycle.
- *Continue to grow and diversify our fleet of owned and chartered-in vessels.* We seek to make strategic acquisitions in drybulk, tanker and containerships sectors as well as other shipping-related sectors to expand our fleet in order to capitalize on the demand for container, drybulk and tanker vessels. We recently expanded our fleet by 45 vessels through the NNA Merger. We have the right to purchase certain additional drybulk vessels currently owned or chartered-in by Navios Holdings when those vessels are fixed under long-term charters for a period of three or more years. In addition, we may seek to expand and diversify our fleet through the open market purchase of owned and chartered-in drybulk, tanker or container vessels with or without charters.
- *Capitalize on our relationship with Navios Holdings and the Managers and expand our charters with recognized charterers*. We believe that we can use our relationship with Navios Holdings and the Managers and their established relationships in the marine transportation industry to obtain favorable long-term time charters and attract new customers. We will continue to increase the number of vessels we charter to our existing charterers, as well as enter into charter agreements with new customers, in order to develop a portfolio that is diverse from a customer, geographic and maturity perspective.

- *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 market, 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 fixed through December 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 year ended December 31, 2021, Singapore Marine represented approximately 14.5% of our total revenues. For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. No other customers accounted for 10% 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 2,299 independent drybulk carrier owners. The world's active drybulk fleet consists of approximately 12,766 vessels, aggregating approximately 950million dwt as of March 1, 2022. 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 ten companies are known to have fleets of 100 vessels or more: China COSCO Shipping, Nippon Yusen Kaisha, Wisdom Marine, Starbulk Carriers, China Development Bank, Pacific Basin Shipping, China Merchants, Fredriksen Group, Oldendorff Carriers and K. Lines. There are about 40 owners known to have fleets of between 37 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.

Navios Holdings is one such operator; others include Cargill, Pacific Basin Shipping, Bocimar, Zodiac Maritime, Louis Dreyfus/Cetragpa, Cobelfret, Torvald Klaveness, Swiss Marine and Singapore Marine.

The container shipping market is extensive, diversified, competitive and fragmented, divided among approximately 674 liner operators and independent owners. The world's active containership fleet consists of approximately 5.606 vessels, aggregating approximately 24.8 million TEU as of March 1, 2022. 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 eleven companies are known to control fleets of 91 vessels or more: Mediterranean Shipping Co. (MSC), AP Moller, China COSCO Shipping, CMA CGM, Atlas Corp (former Seaspan), Evergreen, Wan Hai Lines, Hapag Lloyd, SITC, PIL and Imabari Shipbuilding. There are about 39 owners known to control fleets of between 31 and 80 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. AP Moller and MSC are such liner operators; whereas Peter Dohle, Seaspan and others including Navios Partners are tonnage providers.

The tanker shipping market is extensive, diversified, competitive and fragmented, divided among approximately 3,574 oil companies, operators and independent owners. The world's active tanker fleet over 10,000 DWT consists of approximately 7,260 vessels, aggregating approximately 654 million DWT as of March 1, 2022. 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 six companies are known to control fleets of 100 vessels or more: China COSCO Shipping, Mitsui OSK Lines, China Merchants, Scorpio Group, SCF Group and BW Group. There are about 44 owners known to control fleets of between 32 and 91 vessels. However, vessel ownership is not the only determining factor of fleet control. Oil 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 operating companies may, at any given time, control a fleet many times the size of their owned tonnage. Saudi Aramco, Exxon and Chevron are such oil companies; whereas Vitol, Trafigura and others are operators trading crude oil and product cargoes worldwide.

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. All of the vessels in our fleet are 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".

Crewing

The Managers crew our vessels primarily with Filipino, Ukrainian, Polish, Russian, Indian, Georgian, Romanian and Bulgarian officers and Filipino, Georgian, 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 range of $0.5 million for dry bulk vessels, $0.6 million for containers and $0.3 to $0.6 million for tankers 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.

The deductible under the war risk insurance is $0.03 million for all claims relating to loss caused by piracy or by violent theft by persons from outside an entered ship, whereas the war loss of hire covers a 14 day deductible that applies for loss of time in consequence of damage to the vessel , but no days for loss of time related to piracy, terrorism, barratry and violent theft.

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 13 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 share 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.

Credit Risk Insurance

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into an agreement (the “Navios Holdings Guarantee”) whereby Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20.0 million. In October 2020, Navios Holdings paid an amount of $5.0 million to Navios Partners. In April 2021, Navios Holdings paid an amount of $5.0 million to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to $0 and $5.0 million, respectively. The guarantee claim receivable is presented under the caption “Amounts due from related parties-short term” in the Consolidated Balance Sheets as of December 31, 2020.

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 industry standards. The governmental regulation to which we are subject includes local and national laws and regulations, as well as international regulations established by the International Maritime Organization (“IMO”), the United Nations agency governing the maritime sector. We also are subject to regulation by ship classification societies and industry associations, which often have independent standards. In the United States and, increasingly, in Europe, 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, treaties and other requirements could result in sanctions by regulators, including possible fines, penalties, delays, and detention. Compliance with these categories of regulation also impact the vetting process – non-compliances can result in vetting failures.

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 a number of international conventions concerned with preventing, reducing, or managing pollution from ships; and 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. More 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. Fines and penalties imposed by the Port State or the vessel's flag State may apply 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. Certain jurisdictions in which we trade have not adopted all of the MARPOL annexes, but have established various national, regional, or local laws and regulations that apply to these areas.

Of note, the emissions standards for sulfur oxides ("SOx") under MARPOL Annex VI were recently amended. As of January 1, 2020, the standard was lowered to 0.5% worldwide (down from the previous level of 3.5%). Current 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. Depending on the type of vessel, transitioning to the use of low sulfur fuel as a means of compliance may have required fuel system modification and tank cleaning. Another means of compliance is the installation of pollution control equipment (exhaust gas cleaning systems or scrubbers), allowing the vessel to use the existing, less expensive, high sulfur content fuel.

Thus far, 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, including most of the U.S. and Canadia coast (limiting SOx, Nitrogen Oxides ("NOx") and particulate matter emissions); and the U.S. Caribbean ECA, including Puertor Rico and the U.S. Virgin Islands (limiting SOx, NOx and particulates). The IMO adopted in 2017 the designation of 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 adopted the California Ocean-Going Vessel Fuel Regulation, which contains more stringent low sulfur fuel requirements within California-regulated waters, requiring marine gas oil, extending out to 24 nautical miles, which 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%. This provision took effect on September 1, 2020. 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 emission control 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 emission control area. In the EU, since 2010, all vessels must changeover to 0.1% sulfur fuel oil when 'at berth' in EU and European Economic Area ("EEA") ports due to EU Directive 2005/33/EC.

In addition, certain jurisdictions 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 18, 2022, the BWM Convention had 88 contracting states, representing 91.20% of world 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 must 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. 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. The next MEPC session in 2022 is expected to produce proposed amendments to the BWM Convention.

· **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 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, which can increase our liability in certain areas of the globe.

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 theCLC. 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 18, 2022, the Bunker Convention had 102 contracting States, representing 95.08% 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 ship owner'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 ship owner's rights to limit liability for maritime pollution in such jurisdictions may be uncertain or subject to national and local law.

· **International Safety Regulations**

Our vessels also must operate in compliance with the requirements set forth in the 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.

SOLAS was enacted primarily to promote the safety of life and preservation of property. SOLAS, and the regulations and codes of practice thereunder, is 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 its manager has been awarded a Document of Compliance, issued by the flag State for the vessel, under the ISM Code.

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 United States 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.

· **Vessel Security - ISPS Code**

In 2002, following the September 11 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 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. The CWA also imposes substantial liability for the costs of removal, remediation and damages.

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. Environmental Protection Agency ("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 including. The past year has 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. In the near future, ballast exchange will 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 possibly 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. The EPA narrowly missed the statutory deadline of December 4, 2020 and its standards for discharges were formally published in late 2020. As such, final implementation of VIDA remains essentially on track, which includes the U.S. Coast Guard's implementation of EPA's final rule on standards. Implementation of VIDA is expected to create more uniformity in state and federal regulation of incidental vessel discharges and thus is expected to result in a simplification of the current patch-work of federal, state, and local ballast water regulations in the United States. The 2013 VGP will remain in effect until the full implementation of VIDA.

The EPA's proposed rule under VIDA establishes both general and specific discharge standards. Although VIDA pre-empts sate 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. 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.

- **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 Oil Pollution Act of 1990, or "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, as well as damages, arising from discharges or substantial threats of discharges, of oil from their vessels unless 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.

OPA liability limits are periodically adjusted for inflation, and the U.S. Coast Guard issued a final rule on August 13, 2019 to reflect increases in the Consumer Price Index, which resulted in higher liability limits. With this adjustment, OPA currently limits liability of the responsible party for non-tank vessels to $1,200 per gross ton or $997,100, 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 $2,300 per gross ton or $19,943,400; and for a tank vessel less than or equal to 3,000 gross tons, other than a single-hull tank vessel, the greater of $2,300 per gross ton or $4,985,900. 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 was 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 exceeded 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 a rare occurrence 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 U.S. 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, or possible seizure by, and forfeiture to, the United States 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 penalties of up to $58,328 per day.

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.

· **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, thereby 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 became effective on January 1, 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 spillage 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”). MTSA was implemented by U.S. Coast Guard regulations that imposed 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 time-table 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 time-table 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 imposing 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 a ship emissions regime. This regime primarily mirrors the IMO regime, but is more stringent than IMO regulations in some respects.

In December 2016, the EU signed into law the National Emissions Ceiling ("NEC") Directive, which entered into force on December 31, 2016. The NEC required implementation by individual members States through particular laws in each State by June 30, 2018. The NEC aims to set stricter emissions limits on SO_2, ammonia, non-methane volatile organic compounds, NOx and fine particulate (PM2.5) by setting new upper limits for emissions of these pollutants. While the NEC is not specifically directed toward the shipping industry, the EU specifically mentions the shipping industry in its announcement of the NEC as a contributor to emissions of PM2.5, SO_2 and NOx.

In February 2017, EU member States met to consider independently regulating the shipping industry under the Emissions Trading System ("ETS"), which requires certain businesses to report on carbon emissions and provides for a credit trading system for carbon allowances. On February 15, 2017, European Parliament voted in favor of a bill to include maritime shipping in the ETS by 2023 if the IMO has not promulgated a comparable system by 2021. In November 2017, the Council of Ministers, EU's main decision-making body, agreed that Europe should act on shipping emissions from 2023 if the IMO fails to deliver effective global measures.

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, 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. If implemented, the proposed legislation would require shipping companies to monitor, report, and verify their emissions, as well as purchase and surrender allowances (i.e., carbon credits).

· **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 will be applicable for 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.

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 Cooperation 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 has an initial strategy and 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 aims 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 is coordinating ways to measure these approaches. This will be done in two ways. First, the technical aspects and design of vessels will be regulated by the new Energy Efficiency Existing Ships Index ("EEXI") for existing ships. EEXI regulations exist for an "Attained EEXI" to be calculated for each ship, and a "Required EEXI" for specified ship types. Second, the operational aspect will be accomplished by way of the new Carbon Intensity Indicators ("CII") index, which categorizes every ship's operational efficiency based upon Data Collection Service information. Aspects of a vessel's CII will need to be documented under the existing framework of the Ship Energy Efficiency Management Plan ("SEEMP"). On or before January 1, 2023, ships of 5,000 GT and above will need to revise their SEEMP.

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).

With certain amendments to MARPOL Annex VI expected to enter into force on November 1, 2022, and requirements for EEXI and CII certification coming into effect from 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.

During the IMO MEPC 77 meeting held November 22–26, 2021, several proposals were advanced, including a two-dollar-per-ton bunker fee to pay for low-carbon propulsion research and an increase in the IMO's decarbonization strategy of reducing emissions by 100 percent, instead of 50 percent, by 2050. However, neither proposal was adopted. MEPC 77 also addressed the need for correction factors for certain ship types and operation profiles to be developed, as well as the plan for previously developed SEEMP guidelines to be adopted at MEPC 78 in 2022. Member States pledged to continue discussing decarbonization efforts in 2022 and 2023. At MEPC 77, the MEPC agreed to initiate the revision of the Initial IMO Strategy on Reduction of GHG emissions from ships, recognizing the need to strengthen the ambition during the revision process in view of the urgency for all sectors to accelerate their efforts to reduce GHG emissions. A final draft Revised IMO GHG Strategy would be considered by MEPC 80 (scheduled to meet in spring 2023), with a view to adoption.

The next MEPC meeting, MEPC 78, has been tentatively scheduled to take place from 6 to 10 June 2022 and MEPC 79 from 12 to 16 December 2022.

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. As a result, the IMO has developed and intends to continue developing limits on GHG emissions before 2023. 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.

Additionally, jurisdictions throughout the world have examined means of regulating GHGs:

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, with monitoring, reporting and verification requirements beginning 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 and reducing GHGs by at least 50 percent below 2030 is a key priority of U.S. President's Administration. 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 also have been several bills introduced in the U.S. Congress regarding the reduction of emissions by ships. To date, none of these bills have been passed or signed into law. For example, on March 2, 2021, the CLEAN Future Act was introduced in the House Committee on Energy and Commerce. The bill would establish an interim goal to reduce all GHG emissions to at least 50% below 2005 levels by 2030, as well as a national goal to achieve net-zero greenhouse gas emissions by 2050. The bill also includes sections on reducing port emissions. On April 15, 2021, a bill entitled Expanding the Maritime Environmental and Technical Assistance Program was introduced into the U.S. Senate. This bill would authorize appropriations to support the maritime environmental and technical assistance program of the U.S. Maritime Administration, including activities related to technologies that support port and vessel air emissions reductions and to support zero emissions technologies. Additionally, the bill would require the activities used to inform the policy decisions of the United States related to domestic regulations and to the United States position on matters before the IMO. Additionally, on June 8, 2021, House Natural Resources Committee Chair Raúl Grijalva (D-AZ) introduced the Ocean-Based Climate Solutions Act ("OBCSA") aimed at addressing the ocean impacts of climate change. Notably, OBSCA contains monitoring, reporting, and verification requirements of GHG emissions for all vessels over 5,000 gross tons. Among other things, Section 1201 of the bill would require a vessel to measure and monitor on a per-voyage basis and report on an annual basis: total GHG emitted by the vessel inside the EEZ; average GHG per transport work; and average GHG emissions per distance. Acceptable GHG monitoring and measuring methods in the bill include bunker delivery note and periodic stocktakes of fuel tanks, bunker fuel tank monitoring on board, flowmeters for applicable combustion processes, and direct CO_2 emissions measurements. We are monitoring the status of this proposed legislation and its potential impacts on our business.

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.

Iran Sanctions

Prior to January 2016, the scope of sanctions imposed against Iran, the government of Iran and persons engaging in certain activities or doing certain business with and relating to Iran was expanded by a number of jurisdictions, including the U.S., the EU and Canada. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act ("CISADA"), which expanded the scope of the former Iran Sanctions Act. The scope of U.S. sanctions against Iran were expanded subsequent to CISADA by, among other U.S. laws, the National Defense Authorization Act of 2012 (the "2012 NDAA"), the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRA"), and the Iran Freedom and Counter-Proliferation Act of 2012 ("IFCA").The foregoing laws, among other things, expanded the application of prohibitions to non-U.S. companies such as our company and to transactions with no U.S. nexus, and introduced limits on the ability of non-U.S. companies and other non-U.S. persons to do business or trade with Iran when such activities relate to specific activities such as investment in Iran, the supply or export of refined petroleum or refined petroleum products and certain other goods to Iran, the supply and delivery of goods to Iran which could enhance Iran's petroleum or energy sectors, and the transportation of crude oil from Iran to countries which do not enjoy Iran crude oil sanctions waivers (Navios Acquisition's tankers called in Iran but did not engage in the prohibited activities specifically identified by these sanctions).

U.S. economic sanctions on Iran fall into two general categories: "Primary" sanctions, which prohibit 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 U.S. from engaging in all direct and indirect trade and other transactions with Iran without U.S. government authorization, and U.S. "secondary" sanctions, which are mainly nuclear-related sanctions. While most of the U.S. nuclear-related sanctions with respect to Iran (including, inter alia, under CISADA, ITRA, and IFCA) and the EU sanctions on Iran were initially lifted on January 16, 2016 through the implementation of the Joint Comprehensive Plan of Action (the "JCPOA") entered into between the permanent members of the United Nations Security Council (China, France, Russia, the U.K. and the U.S.) and Germany, there are still certain limitations under that sanctions framework in place with which we need to comply. The primary sanctions with which U.S. persons or transactions with a U.S. nexus must comply are still in force and have not been lifted or relaxed. However, the following sanctions which were lifted under the JCPOA were reimposed ("snapped back") on May 8, 2018 as a result of the U.S. withdrawal from the JCPOA.

- Sanctions on the purchase or acquisition of U.S. dollar banknotes by the Government of Iran;
- Sanctions on Iran's trade in gold or precious metals;
- Sanctions on the direct or indirect sale, supply, or transfer to or from Iran of graphite, raw, or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes;
- Sanctions on significant transactions related to the purchase or sale of Iranian rials, or the maintenance of significant funds or accounts outside the territory of Iran denominated in the Iranian rial;
- Sanctions on the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt; and
- Sanctions on Iran's automotive sector and other significant sectors.

Following a 180-day wind-down period ending on November 4, 2018, the U.S. government re-imposed the following sanctions that were lifted pursuant to the JCPOA, including sanctions on associated services related to the activities below:

- Sanctions on Iran's port operators, and shipping and shipbuilding sectors, including on the Islamic Republic of Iran Shipping Lines (IRISL), South Shipping Line Iran, or their affiliate companies;
- Sanctions on petroleum-related transactions with, among others, the National Iranian Oil Company (NIOC), Naftiran Intertrade Company (NICO), and National Iranian Tanker Company (NITC), including the purchase of petroleum, petroleum products, or petrochemical products from Iran;
- Sanctions on transactions by foreign financial institutions with the Central Bank of Iran and designated Iranian financial institutions under Section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (NDAA);
- Sanctions on the provision of specialized financial messaging services to the Central Bank of Iran and Iranian financial institutions described in Section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions and Divestment Act of 2010 (CISADA);
- Sanctions on the provision of underwriting services, insurance, or reinsurance; and
- Sanctions on Iran's energy sector.

In two Executive Orders issued in 2019, U.S. secondary sanctions against Iran were expanded to include the Iron, Steel, Aluminum, and Copper Sectors of Iran. The new, additional sanctions, which are pursuant to an Executive Order issued on January 10, 2020, may be imposed against any individual owning, operating, trading with, or assisting sectors of the Iranian economy including construction, manufacturing, textiles, and mining. As a result, under U.S. sanctions laws, trade with Iran in almost all industry sectors is now off limits for U.S. as well as non-U.S. persons, except for trade in medicine/medical items and food and agricultural commodities.

The new sanctions imposed in 2020 also authorize the imposition of sanctions on a foreign financial institution upon a determination that the foreign financial institution has, on or after January 10, 2020, knowingly conducted or facilitated any significant financial transaction: i) for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with a prohibited sector of the Iranian economy, or (ii) for or on behalf of any person whose property and interests in property are blocked.

U.S. Iran sanctions also prohibit U.S. as well as non-U.S. persons from engaging in significant transactions with any individual or entity that the U.S. Government has designated as an Iran sanctions target, e.g., SDNs.

EU sanctions remain in place in relation to the export of arms and military goods listed in the EU common military list, missiles-related goods and items that might be used for internal repression. The main nuclear-related EU sanctions which remain in place include restrictions on:

- Graphite and certain raw or semi-finished metals such as corrosion-resistant high-grade steel, iron, aluminum and alloys, titanium and alloys and nickel and alloys (as listed in Annex VIIB to EU Regulation 267/2012 as updated by EU Regulation 2015/1861 (the "EU Regulation");
- Goods listed in the Nuclear Suppliers Group list (listed in Annex I to the EU Regulation);
- Goods that could contribute to nuclear-related or other activities inconsistent with the JCPOA (as listed in Annex II to the EU Regulation); and
- Software designed for use in nuclear/military industries (as listed in Annex VIIA to the EU Regulation).

The above EU sanctions activities can only be engaged if prior authorization (granted on a case-by-case basis) is obtained. The remaining restrictions apply to the sale, supply, transfer or export, 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.

Russia Sanctions

As a result of the crisis in Ukraine and the annexation of Crimea by Russia in 2014, both the U.S. 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 2014 Sanctions

EU Sanctions - 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. Certain Russian ports including Kerch Commercial Seaport; Sevastopol Commercial Seaport and Port Feodosia are subject to the above restrictions. Other entities are subject to sectoral sanctions, which limit the provision of equity financing and loans to the listed entities.

In addition, various restrictions on trade have been implemented which, amongst others, include a prohibition on the import into the EU of goods originating in Crimea or Sevastopol as well as restrictions on trade in certain dual-use and military items and restrictions in relation to various items of technology associated with the oil industry for use in deep water exploration and production, Arctic oil exploration and production or shale oil projects in Russia. As such, it is important to carry out due diligence on the parties and cargoes involved in fixtures relating to Russia.

US Sanctions - 2014

The U.S. has imposed sanctions against certain designated Russian entities and individuals ("U.S. Russian Sanctions Targets"). These sanctions block the property and all interests in property of the U.S. Russian Sanctions Targets. This effectively prohibits U.S. persons from engaging in any economic or commercial transactions with the U.S. Russian Sanctions Targets unless the same are authorized by the U.S. Treasury Department. Similar to EU sanctions, U.S. sanctions also entail restrictions on certain exports from the U.S. to Russia and the imposition of Sectoral Sanctions, which restrict the provision of equity and debt financing to designated Russian entities. While the prohibitions of these sanctions are not directly applicable to us, we have compliance measures in place to guard against transactions with U.S. Russian Sanctions Targets, which may involve the U.S. or U.S. persons and thus implicate prohibitions. The U.S. also maintains prohibitions on trade with Crimea.

With respect to Russia, the U.S. has also taken a number of steps toward implementing aspects of the Countering America's Adversaries Through Sanctions Act ("CAATSA"), a major piece of sanctions legislation.

Under CAATSA, the U.S. may impose secondary sanctions relating to Russia's energy export pipelines and investments in special Russian crude oil projects. CAATSA has a provision that requires the U.S. President to sanction persons who knowingly engage in significant transactions with parties affiliated with Russia's defense and intelligence sectors.

The February and March 2022 Sanctions

In response to Russia's threats against, and subsequent invasion of Ukraine, beginning in February 2022, the United States, the EU, the United Kingdom, Canada and other nations have imposed expanded economic sanctions against certain Russian individuals, e ntities and business sectors. Among other things, these sanctions suspend the use of SWIFT for certain credit markets, forbid Russian aircraft from flying over NATO and other airspace, and prohibit the export of sensitive, high-technology items to Russia.

EU Sanctions - 2022

Since February 2022, the EU has widened sanctions on those linked to Russia and in particular the Government of Russia with the introduction of a number of EU Regulations. These restrictions include:

- Designation of a significant number of individuals as subject to an asset freeze, including Russian politicians, oligarchs and Russian companies. A number of Russian oligarchs have reported majority interests in trading companies that may also be impacted by the designations.
- A ban on transactions with the Russian Central Bank and certain Russian banks from using the SWIFT system. The EU has also imposed restrictions on transactions with the Central Bank of Belarus and certain Belarussian banks for the Belarussian role in the invasion of Ukraine.
- A ban on transactions with certain designated Russian entities, including Rosneft, Transneft, Gazprom Neft and Sovcomflot, subject to certain exceptions (e.g. contracts executed prior to March 15, 2022 and the continued import of certain fossil fuels and other products into the EU).
- A ban on the importation of certain steel/iron products into the EU. The EU has also prohibited certain imports from Belarus, including, potash.
- A ban on new investments into the Russian energy sector.
- A ban on the provision of certain restricted goods and technology to persons connected to Russia or for use in Russia. This ban includes a number of items for use in the energy industry and goods pertaining to marine equipment, with an exception relating to the temporary sojourn of vessels.
- A ban on the provision of certain luxury goods to Russia (generally valued at over EUR 300).
- Restrictions on trade and investment with the non-government controlled territories of Donetsk and Luhansk.

US Sanctions 2022

Covered Regions

The sanctions imposed by the United States in February and March 2022 prohibit the following:

- new investment in the so-called DNR or LNR regions of Ukraine or such other regions of Ukraine as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State (collectively, the "Covered Regions"), by a United States person, wherever located;
- the importation into the United States, directly or indirectly, of any goods, services, or technology from the Covered Regions;
- the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, services, or technology to the Covered Regions; and
- any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this section if performed by a United States person or within the United States.

On February 21, 2022, United States President issued executive order No. 14065 (the "Executive Order"), which prohibits all dealings in property within the United States, or under control of any United States person (wherever located), of the following:

- persons determined to be operating in or who have operated in, since the date of the Executive Order, the Covered Regions;
- any person who is, or has been since the date of the Executive Order a leader, official, senior executive officer, or member of the board of directors of an entity operating in the Covered Regions;
- a person owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked by the Executive Order;
- a person who has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked by the Executive Order.

The Executive Order also bans the entry into the United States of the foregoing persons.

The main additional sanctions that the United States has imposed are as follows:

- Designated politicians, officials and oligarchs, including Russian President : freezing of assets, prohibition of transactions with designated persons, travel ban against certain persons. Also includes members of the State Duma of the Federal Assembly of the Russian Federation.
- Banks and financial services: select freezing of assets and certain restrictive measures such as those related to equity and debt financing.
    - Russia's Central Bank – imposition of restrictive measures that will prevent the Russian Central Bank from deploying its international reserves in ways that undermine the impact of sanctions.

- Swift: Certain Russian banks have been removed from the Swift international payments system.
- Sberbank: The US has cut off Russia's biggest bank and 25 of its subsidiaries from the US financial system.
- VTB Bank: The US, UK and Canada have frozen assets at Russia's second-largest bank.
- Alfa-Bank and Bank Otkritie – The US has imposed debt and equity restrictions on Alfa and full blocking sanctions on Otkritie.
- Other targeted banks include: Rossiya Bank and Promsvyazbank, Sovcombank and Novikombank, Russian Agricultural Bank, Credit Bank of Moscow and Gazprombank, and VEB.RF
- Belarus banks: The US imposed sanctions on two state-owned banks, Belinvestbank and Bank Dabrabyt, in response to Minsk's participation in the Russian invasion.
- In addition to targeting Russia's largest financial institutions, the US has heavily restricted companies critical to the Russian economy from raising money through the US market. These include: Gazprom, Gazprom Neft, Transneft and RusHydro, Sovcomflot and Russian Railways, Rostelecom, and the world's largest diamond mining company, Alrosa.

Other Measures

- Restriction on the export and re-export of high-end US technologies to Russia.
- Sweeping restrictions on export and reexport of US origin goods/technology.
- Full blocking sanctions on seven Russian "disinformation targets."
- Prohibition on trade with the non-government-controlled areas of Donetsk and Luhansk.

UK Sanctions - 2022

As an EU member-state, the UK participated in the EU sanctions against Russia. Following the UK's departure from the EU, the UK enacted a number of then-existing EU sanctions as the law in the UK. The UK may also impose additional sanctions on that apply to UK persons and those within UK jurisdiction.

The UK sanctions adopted in February 2022 include restrictions on the following:

- In addition to the EU and US, a significant number of individuals have been designated as subject to an asset freeze, including Russian politicians, oligarchs and companies. A number of the oligarchs have reported majority interests in trading companies. In addition, the UK has designated the shipping company Sovcomflot as the subject of an asset freeze, as has similarly designated a number of Russian banks to such asset freeze.
- A ban on the export, supply, delivery and making available (and technical assistance and financial services related to the same) of certain restricted goods and technology to persons connected with Russia or for use in Russia. This includes a number of items for use in the energy industry and goods pertaining to marine equipment with an exception relating to the voyage of vessels to/from the UK and Russia and a General Licence issued covering voyages from 3rd countries to/from Russia.
- A ban on Russian owned, controlled or chartered vessels from calling at UK ports or being flagged in the UK.

Venezuela-Related Sanctions

The U.S. sanctions with respect to Venezuela prohibit various financial and other transactions and activities, dealings with designated Venezuelan government officials and entities, curtail the provision of financing to Petroleos de Venezuela, S.A. ("PdVSA") and other government entities, and they also prohibit U.S. persons from purchasing oil from PdVSA. Additionally, U.S. (blocking) sanctions may be imposed on any (non-U.S.) person that has materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, or any blocked entity such as PdVSA.

EU sanctions against Venezuela are primarily governed by EU Council Regulation 2017/2063 of 13 November 2017 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 related to internal repression.

U.S. Executive Orders

The following Executive Orders govern the U.S. sanctions with respect to Venezuela:

- 13884—Blocking Property of the Government of Venezuela—(August 5, 2019)
- 13857—Taking Additional Steps to Address the National Emergency With Respect to Venezuela (January 25, 2019)
- 13850—Blocking Property of Additional Persons Contributing to the Situation in Venezuela (November 1, 2018)
- 13835—Prohibiting Certain Additional Transactions with Respect to Venezuela (May 21, 2018)
- 13827—Taking Additional Steps to Address the Situation in Venezuela (March 19, 2018) – prohibits all transactions related to, provision of financing for, and other dealings in, by a U.S. person or within the U.S., in any digital currency, digital coin, or digital token, (the Petro) that was issued by, for, or on behalf of the Government of Venezuela on or after January 9, 2018.
- 13808—Imposing Additional Sanctions with Respect to the Situation in Venezuela (August 24, 2017) – This executive Order prohibits transactions involving, dealings in, and the provision of financing for (by (U.S. persons) of:
  - New debt with a maturity of greater than 90 days of PdVSA;
  - New debt with a maturity of greater than 30 days or new equity of the Government of Venezuela, other than debt of PdVSA;
  - Bonds issued by the Government of Venezuela prior to August 25, 2017, the EO's effective date;
  - Dividend payments or other distributions of profits to the Government of Venezuela from any entity directly or indirectly owned or controlled by the Government of Venezuela; or
  - Direct or indirect purchase by U.S. persons or persons within the U.S. of securities from the Government of Venezuela, other than securities qualifying as new debt with a maturity of less than or equal to 90 or 30 days as covered by the EO (Section 1).
- 13692-Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela (March 8, 2015) – blocks designated Venezuelan government officials.

Other U.S. Economic Sanctions Targets

In addition to Iran and certain Russian entities and individuals, as indicated above, the U.S. maintains comprehensive economic sanctions against Syria, Cuba, North Korea, and 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"). 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 U.S.

Other EU Economic Sanctions Targets

The EU also maintains sanctions against Syria, North Korea, Belarus and certain other countries and against individuals listed by the EU. 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.

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, 2021 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 as a corporation for U.S. federal income tax purposes. As such, 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 Unites States as discussed below.

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, 2021 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 below); 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 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 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, 2021. 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 we satisfied the Publicly Traded Test for our fiscal year ended December 31, 2021.

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. 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, 2021, 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 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 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 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 benefit of 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, 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, 2021.

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 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%; (ii) Navios Europe I and its subsidiaries with an ownership interest of 5% through the date of its liquidation on December 13, 2019; and (iii) Navios Europe II and its subsidiaries with an ownership interest of 5% through the date of its liquidation on June 29, 2020.

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, 2021, 2020 and 2019. 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, formed in August 2007 by Navios Holdings. We have been a public company since November 2007.

As of April 1, 2022, there were outstanding 30,197,087 common units and 622,555 general partnership units. Navios Holdings currently owns an approximately 10.3% ownership interest in Navios Partners and Olympos Maritime Ltd, our general partner, through its ownership of all the general partner units currently owns a 2.0% ownership interest in Navios Partners based on all outstanding common units and general partner units.

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

Fleet Developments

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.

In February 2022, Navios Partners agreed to sell the Navios Utmost and the Navios Unite, two 2006-built Containerships of 8,204 TEU each, to an unrelated third party for an aggregate sales price of $220.0 million. The sale is expected to be completed during the second half of 2022 and the gain on sale of vessels is expected to be approximately $144.3 million.

On October 29, 2021, Navios Partners sold the Navios Altair I, a 2006-built Panamax vessel of 74,475 dwt, to an unrelated third party for a net sales price of $13.5 million.

On August 16, 2021, Navios Partners sold the Harmony N, a 2006-built Containership of 2,824 TEU, to an unrelated third party for a net sales price of $28.4 million.

On August 13, 2021, Navios Partners sold the Navios Azalea, a 2005-built Panamax vessel of 74,759 dwt, to an unrelated third party for a net sales price of $12.6 million.

On July 31, 2021, Navios Partners sold the Navios Dedication, a 2008-built Containership of 4,250 TEU to an unrelated third party for a net sales price of $33.9 million.

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 $30.0 million.

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 $58.0 million.

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 $28.6 million (including $0.1 million 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 $55.5 million.

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax vessel of 81,472 dwt, from its affiliate, Navios Holdings, for an acquisition cost of $39.3 million (including $0.1 million capitalized expenses).

On March 25, 2021, the Company sold the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sales price of $8.2 million.

On February 10, 2021, the Company sold the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sales price of $8.9 million.

On January 28, 2021, the Company sold the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sales price of $11.1 million.

On January 13, 2021, the Company sold the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sales price of $4.6 million.

On December 10, 2020, Navios Partners sold of the Navios Soleil, a 2009-built Ultra–Handymax vessel of 57,337 dwt, to an unrelated third party for a net sales price of $8.2 million.

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51.0 million.

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of $56.1 million in total, including working capital balances of $(2.7) million, following the liquidation of Navios Europe II.

On December 16, 2019, Navios Partners acquired four drybulk vessels, from an entity affiliated with the Company's Chairwoman and CEO, for a fair value of $40.4 million, in total.

On December 13, 2019, Navios Partners acquired three Sub-Panamax and two Panamax Containerships for a fair value of $56.1 million in total, including working capital balances of $14.4 million, following the liquidation of Navios Europe I.

On April 23, 2019, Navios Partners sold the Navios Galaxy I, a 2001-built Panamax vessel of 74,195 dwt, to an unrelated third party, for a net sales price of $6.0 million.

Please read “Item 5. Operating and Financial Review and Prospects - B. Liquidity and Capital Resources – Maintenance and Replacement Capital Expenditures Reserve – Vessels to be delivered” for a full description of vessels to be delivered to our fleet.

The historical results discussed below, and the historical financial statements and related notes included elsewhere in this annual report, present operating results of the fleet for the periods beginning from January 1, 2019 to December 31, 2021.

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Libra Shipping Enterprises Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Felicity Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Gemini Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Galaxy Shipping Corporation[4]	—	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.	—	Marshall Is.	1/01 – 12/31	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.	Navios Hyperion	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.	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.	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[13]	—	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[12]	Navios Beaufiks	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.	Navios Prosperity I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Wave Shipping Corp.	Navios Libertas	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

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Fairy Shipping Corporation [5]	Navios Utmost	Marshall Is.	03/31 – 12/31	—	—
Limestone Shipping Corporation [5]	Navios Unite	Marshall Is.	03/31 – 12/31	—	—
Dune Shipping Corp.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Citrine Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Cavalli Navigation Inc.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Seymour Trading Limited[2]	Navios Altair I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Goldie Services Company	Navios Symmetry	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[7],[19]	Castor N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Cronus Shipping Corporation[7]	Protostar N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Leto Shipping Corporation[7],[17]	Esperanza N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Dionysus Shipping Corporation[7],[30]	Harmony N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Prometheus Shipping Corporation[7],[18]	Solar N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Camelia Shipping Inc.[8]	Navios Camelia	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Anthos Shipping Inc.[8]	Navios Anthos	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Azalea Shipping Inc.[8],[1]	Navios Azalea	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Amaryllis Shipping Inc.[8]	Navios Amaryllis	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Zaffre Shipping Corporation[14]	Serenitas N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Wenge Shipping Corporation[14],[20]	Joie N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Sunstone Shipping Corporation[14]	Copernicus N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Fandango Shipping Corporation[14]	Unity N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Flavescent Shipping Corporation[14]	Odysseus N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Emery Shipping Corporation[15]	Navios Gem	Marshall Is.	1/01 – 12/31	9/30 – 12/31	—
Rondine Management Corp.[15]	Navios Victory	Marshall Is.	1/01 – 12/31	9/30 – 12/31	—
Prosperity Shipping Corporation	—	Marshall Is.	1/01 – 12/31	—	—
Aldebaran Shipping Corporation	—	Marshall Is.	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.	03/30 – 12/31	—	—
Mandora Shipping Ltd.[16]	Navios Centaurus	Marshall Is.	03/30 – 12/31	—	—
Olympia II Navigation Limited	Navios Domino	Marshall Is.	03/31 – 12/31	—	—

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Pingel Navigation Limited	Navios Delight	Marshall Is.	03/31 – 12/31	—	—
Ebba Navigation Limited	Navios Destiny	Marshall Is.	03/31 – 12/31	—	—
Clan Navigation Limited	Navios Devotion	Marshall Is.	03/31 – 12/31	—	—
Sui An Navigation Limited[23]	Navios Dedication	Marshall Is.	03/31 – 12/31	—	—
Bertyl Ventures Co.	Navios Azure	Marshall Is.	03/31 – 12/31	—	—
Silvanus Marine Company	Navios Summer	Marshall Is.	03/31 – 12/31	—	—
Anthimar Marine Inc.	Navios Amarillo	Marshall Is.	03/31 – 12/31	—	—
Enplo Shipping Limited	Navios Verde	Marshall Is.	03/31 – 12/31	—	—
Morven Chartering Inc.	Navios Verano	Marshall Is.	03/31 – 12/31	—	—
Rodman Maritime Corp.	Navios Spring	Marshall Is.	03/31 – 12/31	—	—
Isolde Shipping Inc.	Navios Indigo	Marshall Is.	03/31 – 12/31	—	—
Velour Management Corp.	Navios Vermilion	Marshall Is.	03/31 – 12/31	—	—
Evian Shiptrade Ltd.	Navios Amaranth	Marshall Is.	03/31 – 12/31	—	—
Theros Ventures Limited	Navios Lapis	Marshall Is.	03/31 – 12/31	—	—
Legato Shipholding Inc.	Navios Tempo	Marshall Is.	03/31 – 12/31	—	—
Inastros Maritime Corp.	Navios Chrysalis	Marshall Is.	03/31 – 12/31	—	—
Zoner Shiptrade S.A.	Navios Dorado	Marshall Is.	03/31 – 12/31	—	—
Jasmer Shipholding Ltd.	Navios Nerine	Marshall Is.	03/31 – 12/31	—	—
Thetida Marine Co.	Navios Magnolia	Marshall Is.	03/31 – 12/31	—	—
Jaspero Shiptrade S.A.	Navios Jasmine	Marshall Is.	03/31 – 12/31	—	—
Peran Maritime Inc.	Navios Felicitas	Marshall Is.	03/31 – 12/31	—	—
Nefeli Navigation S.A.	Navios Unison	Marshall Is.	03/31 – 12/31	—	—
Crayon Shipping Ltd	Navios Miami	Marshall Is.	03/31 – 12/31	—	—
Chernava Marine Corp.	Bahamas	Marshall Is.	03/31 – 12/31	—	—
Proteus Shiptrade S.A	Bermuda	Marshall Is.	03/31 – 12/31	—	—
Vythos Marine Corp.	Navios Constellation	Marshall Is.	03/31 – 12/31	—	—
Navios Maritime Containers Sub L.P.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Navios Partners Containers Finance Inc.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Boheme Navigation Company	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Navios Partners Containers Inc.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Iliada Shipping S.A.	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Vinetree Marine Company	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Afros Maritime Inc.	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Cavos Navigation Co.[9]	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	9/25 – 12/31
Pleione Management Limited[10]	Navios Star	Marshall Is.	1/01 – 12/31	1/01 – 12/31	9/25 – 12/31
Bato Marine Corp.[21]	TBN I	Marshall Is.	03/05 – 12/31	—	—

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Agron Navigation Company[21]	TBN II	Marshall Is.	03/05 – 12/31	—	—
Teuta Maritime S.A.[22]	TBN VII	Marshall Is.	03/05 – 12/31	—	—
Ambracia Navigation Company[21]	TBN IV	Marshall Is.	03/05 – 12/31	—	—
Artala Shipping Co.[22]	TBN V	Marshall Is.	03/05 – 12/31	—	—
Migen Shipmanagement Ltd.	Sub-Holding Company	Marshall Is.	03/05 – 12/31	—	—
Bole Shipping Corporation[24]	Spectrum N	Marshall Is.	04/28 – 12/31	—	—
Brandeis Shipping Corporation[24]	Ete N	Marshall Is.	05/10 – 12/31	—	—
Buff Shipping Corporation[24]	Fleur N	Marshall Is.	05/10 – 12/31	—	—
Morganite Shipping Corporation[25]	TBN VI	Marshall Is.	06/01 – 12/31	—	—
Balder Martitime Ltd.[26]	Navios Koyo	Marshall Is.	06/04 – 12/31	—	—
Melpomene Shipping Corporation[27]	TBN VIII	Marshall Is.	06/23 – 12/31	—	—
Urania Shipping Corporation[27]	TBN IX	Marshall Is.	06/23 – 12/31	—	—
Terpsichore Shipping Corporation[28]	TBN X	Marshall Is.	06/23 – 12/31	—	—
Erato Shipping Corporation[28]	TBN XI	Marshall Is.	06/23 – 12/31	—	—
Lavender Shipping Corporation[12] [29]	Navios Ray	Marshall Is.	06/30 – 12/31	—	—
Nostos Shipmanagement Corp.[12] [29]	Navios Bonavis	Marshall Is.	06/30 – 12/31	—	—
Navios Maritime Acquisition Corporation	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Acquisition Europe Finance Inc.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Acquisition Finance (US) Inc.	Co-Issuer of Ship Mortgage Notes	Delaware	08/25 – 12/31	—	—
Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	08/25 – 12/31	—	—
Letil Navigation Ltd.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Partners Finance (US) Inc.	Sub-Holding Company	Delaware	08/25 – 12/31	—	—
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Amorgos Shipping Corporation	Nave Cosmos	Marshall Is.	08/25 – 12/31	—	—
Andros Shipping Corporation	Nave Polaris	Marshall Is.	08/25 – 12/31	—	—
Antikithira Shipping Corporation	Nave Equator	Marshall Is.	08/25 – 12/31	—	—
Antiparos Shipping Corporation	Nave Atria	Marshall Is.	08/25 – 12/31	—	—
Antipaxos Shipping Corporation	Nave Dorado	Marshall Is.	08/25 – 12/31	—	—
Antipsara Shipping Corporation	Nave Velocity	Marshall Is.	08/25 – 12/31	—	—
Crete Shipping Corporation	Nave Cetus	Marshall Is.	08/25 – 12/31	—	—
Delos Shipping Corporation	Nave Photon	Marshall Is.	08/25 – 12/31	—	—
Folegandros Shipping Corporation	Nave Andromeda	Marshall Is.	08/25 – 12/31	—	—
Ikaria Shipping Corporation	Nave Aquila	Marshall Is.	08/25 – 12/31	—	—
Ios Shipping Corporation	Nave Cielo	Cayman Islands	08/25 – 12/31	—	—
Iraklia Shipping Corporation	Bougainville	Marshall Is.	08/25 – 12/31	—	—
Kimolos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kithira Shipping Corporation	Nave Orbit	Marshall Is.	08/25 – 12/31	—	—

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Kos Shipping Corporation	Nave Bellatrix	Marshall Is.	08/25 – 12/31	—	—
Lefkada Shipping Corporation	Nave Buena Suerte	Marshall Is.	08/25 – 12/31	—	—
Leros Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Mytilene Shipping Corporation	Nave Orion	Marshall Is.	08/25 – 12/31	—	—
Oinousses Shipping Corporation	Nave Jupiter	Marshall Is.	08/25 – 12/31	—	—
Psara Shipping Corporation	Nave Luminosity	Marshall Is.	08/25 – 12/31	—	—
Rhodes Shipping Corporation	Nave Cassiopeia	Marshall Is.	08/25 – 12/31	—	—
Samos Shipping Corporation	Nave Synergy	Marshall Is.	08/25 – 12/31	—	—
Samothrace Shipping Corporation	Nave Pulsar	Marshall Is.	08/25 – 12/31	—	—
Serifos Shipping Corporation	Nave Estella	Marshall Is.	08/25 – 12/31	—	—
Sifnos Shipping Corporation	Nave Titan	Marshall Is.	08/25 – 12/31	—	—
Skiathos Shipping Corporation	Nave Capella	Marshall Is.	08/25 – 12/31	—	—
Skopelos Shipping Corporation	Nave Ariadne	Cayman Islands	08/25 – 12/31	—	—
Skyros Shipping Corporation	Nave Sextans	Marshall Is.	08/25 – 12/31	—	—
Syros Shipping Corporation	Nave Alderamin	Marshall Is.	08/25 – 12/31	—	—
Thera Shipping Corporation	Nave Atropos	Marshall Is.	08/25 – 12/31	—	—
Tilos Shipping Corporation	Nave Spherical	Marshall Is.	08/25 – 12/31	—	—
Tinos Shipping Corporation	Nave Rigel	Marshall Is.	08/25 – 12/31	—	—
Zakynthos Shipping Corporation	Nave Quasar	Marshall Is.	08/25 – 12/31	—	—
Cyrus Investments Corp.	Baghdad	Marshall Is.	08/25 – 12/31	—	—
Olivia Enterprises Corp.	Erbil	Marshall Is.	08/25 – 12/31	—	—
Limnos Shipping Corporation	Nave Pyxis	Marshall Is.	08/25 – 12/31	—	—
Thasos Shipping Corporation	Nave Equinox	Marshall Is.	08/25 – 12/31	—	—
Agistri Shipping Limited	Operating Subsidiary	Malta	08/25 – 12/31	—	—
Paxos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Donoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Schinousa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Alonnisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Makronisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Shinyo Loyalty Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Navigator Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Shinyo Dream Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Kannika Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Kieran Limited	Nave Universe	British Virgin Islands	08/25 – 12/31	—	—

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Shinyo Ocean Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Saowalak Limited	Nave Constellation	British Virgin Islands	08/25 – 12/31	—	—
Sikinos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kerkyra Shipping Corporation	Nave Galactic	Marshall Is.	08/25 – 12/31	—	—
Doxa International Corp.	Nave Electron	Marshall Is.	08/25 – 12/31	—	—
Alkmene Shipping Corporation	Star N	Marshall Is.	08/25 – 12/31	—	—
Aphrodite Shipping Corporation	Aurora N	Marshall Is.	08/25 – 12/31	—	—
Dione Shipping Corporation	Lumen N	Marshall Is.	08/25 – 12/31	—	—
Persephone Shipping Corporation	Hector N	Marshall Is.	08/25 – 12/31	—	—
Rhea Shipping Corporation	Perseus	Marshall Is.	08/25 – 12/31	—	—
Tzia Shipping Corporation (21)	TBN XIV	Marshall Is.	08/25 – 12/31	—	—
Boysenberry Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Cadmium Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Celadon Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Cerulean Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kleio Shipping Corporation (6)	TBN XII	Marshall Is.	08/12 – 12/31	—	—
Polymnia Shipping Corporation (6)	TBN XIII	Marshall Is.	08/12 – 12/31	—	—
Goddess Shiptrade Inc. (21)	TBN III	Marshall Is.	08/02 – 12/31	—	—
Navios Acquisition Merger Sub.Inc.	Merger SPV	Marshall Is.	08/23 – 12/31	—	—
Aramis Navigation Inc.(3)	Navios Azimuth	Marshall Is.	07/09 – 12/31	—	—
Thalia Shipping Corporation (6)	TBN XVII	Marshall Is.	11/17-12/31	—	—
Muses Shipping Corporation (6)	TBN XVIII	Marshall Is.	11/17-12/31	—	—
Euterpe Shipping Corporation (28)	TBN XVI	Marshall Is.	11/17-12/31	—	—
Calliope Shipping Corporation (28)	TBN XV	Marshall Is.	11/17-12/31	—	—

(1) The vessel was sold on August 13, 2021.
(2) The vessel was sold on October 29, 2021.
(3) The vessel was acquired on July 9, 2021, from Navios Holdings (see Note 7 - Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(4) The vessel was sold on April 23, 2019.
(5) The vessel agreed to be sold in February 2022 (see Note 24 – Subsequent events to our consolidated financial statements, included elsewhere in this Annual Report).
(6) Expected to be delivered by the second half of 2024.
(7) The vessels were acquired on December 13, 2019, following the liquidation of Navios Europe I.
(8) The vessels were acquired on December 16, 2019.
(9) The vessel was delivered on July 24, 2019 (see Note 23 – Leases to our consolidated financial statements, included elsewhere in this Annual Report).
(10) The vessels were delivered on May 28, 2021 and June 10, 2021 (see Note 23 – Leases to our consolidated financial statements, included elsewhere in this Annual Report).
(11) Not a vessel-owning subsidiary and only holds right to charter-in contracts.
(12) Vessels under the sale and leaseback transaction.
(13) The vessel was sold on December 10, 2020 (see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II (see Note 7 - Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).

(15) The vessels were acquired on September 30, 2020, from Navios Holdings (see Note 7 - Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(16) The vessels were acquired on March 30, 2021, from Navios Holdings (see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(17) The vessel was sold on January 13, 2021(see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(18) The vessel was sold on January 28, 2021 (see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(19) The vessel was sold on February 10, 2021 (see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(20) The vessel was sold on March 25, 2021 (see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(21) Expected to be delivered by the second half of 2022.
(22) Expected to be delivered in the first half of 2023.
(23) The vessel was sold on July 31, 2021.
(24) The vessels were acquired on May 10, 2021 (see Note 7 – Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(25) Expected to be delivered in the first half of 2023.
(26) The vessel was acquired on June 4, 2021, from Navios Holdings (see Note 7 - Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(27) Expected to be delivered by the second half of 2023.
(28) Expected to be delivered by the first half of 2024.
(29) The vessel was acquired on June 30, 2021, from Navios Holdings (see Note 7 - Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).
(30) The vessel was sold on August 16, 2021.

Recent Developments

Financing arrangements

On March 28, 2022, Navios Partners entered into a new credit facility with a commercial bank for a total amount of up to $55.0 million in order to refinance the existing indebtedness of three of its vessels and for general corporate purposes. The credit facility matures in March 2027 and bears interest at daily cumulative or non-cumulative compounded RFR rate (as defined in the loan agreement) plus 2.25% per annum. On March 31, 2022, the entire amount was drawn under this loan.

Sales of vessels

In February 2022, Navios Partners agreed to sell the Navios Utmost and the Navios Unite, two 2006-built Containerships of 8,204 TEU each, to an unrelated third party for an aggregate sales price of $220.0 million. The sale is expected to be completed during the second half of 2022 and the gain on sale of vessels is expected to be approximately $144.3 million.

Our Charters

We generate revenues by charging our customers for the use of our vessels to transport their liquid and dry cargos. In general, the vessels in our fleet are chartered-out under time charters, which range in length from one to twelve 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 year ended December 31, 2021, Singapore Marine represented approximately 14.5% of our total revenues. For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. No other customers accounted for 10% 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 charter;
- 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 and dry cargo shipping industry;
- armed conflicts, such as the Russian/Ukrainian conflicts; and
- the ongoing global outbreak of novel coronavirus (COVID-19) or other 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 global 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 we entered into with the Managers, the Managers bear all of our vessel operating expenses in exchange for the payment of fees. Under these 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 have 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.

Following the NMCI Merger, the Management Agreement cover the vessels acquired.

The operations of Navios Acquisition are managed by the Tankers Manager, an entity affiliated to the Manager, so the operations of Navios Acquisition remain un-affected following the completion of the NNA Merger on October 15, 2021.

For more information on the Management Agreements, please read "Item 7. – Major Unitholders and Related Party Transactions - Management Agreements".

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".

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, 2021 Compared to the Year Ended December 31, 2020

The following table presents consolidated revenue and expense information for the years ended December 31, 2021 and 2020. This information was derived from the audited consolidated revenue and expense accounts of Navios Partners for the respective periods.

	Year Ended December 31, 2021	Year Ended December 31, 2020
Time charter and voyage revenues	$ 713,175	$ 226,771
Time charter and voyage expenses	(36,142)	(11,028)
Direct vessel expenses	(29,259)	(10,337)
Vessel operating expenses	(191,449)	(93,732)
General and administrative expenses	(41,461)	(24,012)
Depreciation and amortization of intangible assets	(112,817)	(56,050)
Amortization of unfavorable lease terms	108,538	—
Gain on sale of vessels, net	33,625	—
Vessels impairment loss	—	(71,577)
Interest expense and finance cost, net	(42,762)	(24,159)
Interest income	859	639
Impairment of receivable in affiliated company	—	(6,900)
Other income	289	5,055
Other expense	(9,738)	(4,344)
Equity in net earnings of affiliated companies	80,839	1,133
Transaction costs	(10,439)	—
Bargain gain	48,015	—
Net income/ (loss)	**$ 511,273**	**$ (68,541)**
Net loss attributable to the noncontrolling interest	4,913	—
Net income/ (loss) attributable to Navios Partners' unitholders	**$ 516,186**	**$ (68,541)**

The following table reflects certain key indicators of Navios Partners' fleet performance for the years ended December 31, 2021 and 2020 (including the Navios Containers' fleet and Navios Acquisition's tanker fleet for the periods from April 1, 2021 to December 31, 2021 and from August 26, 2021 to December 31, 2021, respectively).

	Year Ended December 31, 2021	Year Ended December 31, 2020
Available Days [1]	31,884	17,430
Operating Days [2]	31,631	17,245
Fleet Utilization [3]	99.2%	98.9%
Time Charter Equivalent (per day) [4]	$ 21,709	$ 12,497
Vessels operating at period end	128	52

(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, dry dockings 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, dry dockings or special surveys.

(4) Time Charter Equivalent rate ("TCE rate"): Time Charter Equivalent rate per day is defined as voyage, time charter revenues and bareboat charter-out revenues (grossed up by currently applicable fixed vessel operating expenses) less voyage expenses during a period divided by the number of available days during the period. The TCE rate per day is a standard 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 for the year ended December 31, 2021 increased by $486.4 million, or 214.5%, to $713.2 million, as compared to $226.8 million for the same period in 2020. The increase in revenue was mainly attributable to the increase in the size of our fleet and to the increase in the TCE rate. For the year ended December 31, 2021, the TCE rate increased by 73.7% to $21,709 per day, as compared to $12,497 per day for the same period in 2020. The available days of the fleet increased by 82.9% to 31,884 days for the year ended December 31, 2021, as compared to 17,430 for the same period in 2020 mainly due to the Mergers.

Time charter and voyage expenses: Time charter and voyage expenses for the year ended December 31, 2021 increased by $25.1 million, or 228.2%, to $36.1 million, as compared to $11.0 million for the year ended December 31, 2020. The increase was mainly attributable to a: (i) $10.7 million increase in charter-in hire expense; (ii) $5.3 million increase in brokers' commissions; (iii) $4.5 million increase in bunkers expenses; (iv) $3.2 million increase in other voyage expenses; and (v) $1.4 million increase in port expenses.

Direct vessel expenses: Direct vessel expenses for the year ended December 31, 2021, increased by $19.0 million, or 184.5%, to $29.3 million, as compared to $10.3 million for the year ended December 31, 2020. The increase of $19.0 million was mainly attributable to the increase in the size of our fleet and the increased crew related expenses as a result of covid-19 measures (pursuant to the terms of the Management Agreements).

Vessel operating expenses: Vessel operating expenses for the year ended December 31, 2021, increased by $97.7 million, or 104.3%, to $191.4 million, as compared to $93.7 million for the year ended December 31, 2020. The increase was due to the increase in the size of our fleet.

General and administrative expenses: General and administrative expenses increased by $17.5 million, or 72.9%, to $41.5 million for the year ended December 31, 2021, as compared to $24.0 million for the year ended December 31, 2020. The increase was mainly due to a: (i) $15.1 million increase in administrative fees paid to the Managers due to the increased number of owned and chartered-in vessels in Navios Partners' fleet; and (ii) $2.8 million increase in legal and professional fees, as well as audit fees and other administrative expenses. The above increase was partially mitigated by an approximately $0.4 million decrease in stock based compensation expenses.

Depreciation and amortization of intangible assets: Depreciation and amortization of intangible assets for the year ended December 31, 2021 increased by $56.7 million or 101.1%, to $112.8 million as compared to $56.1 million for the year ended December 31, 2020. The increase of $56.7 million was mainly attributable to: (i) a $30.8 million increase due to the delivery of the fleet of Navios Acquisition in Navios Partners' owned fleet; (ii) a $24.5 million increase in depreciation expense due to the delivery of the fleet of Navios Containers in Navios Partners' owned fleet; (iii) an $8.0 million increase in depreciation expense due to the delivery of 16 vessels in 2021 and 2020; and (iv) a $0.5 million increase in depreciation expense due to vessel additions. The above increase was partially mitigated by: (i) an approximately $4.9 million decrease in depreciation expense of four of our vessels as a result of the impairment charge in the fourth quarter of the fiscal year 2020; and (ii) a $2.2 million decrease due to the sale of nine vessels in 2021 and 2020. 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 $108.5 million for the year ended December 31, 2021, related to 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. There was no amortization of unfavorable lease terms for the year ended December 31, 2020.

Gain on sale of vessels, net: Gain on sale of vessels amounted to $33.6 million for the year ended December 31, 2021, relating to a gain on sale of the Navios Altair I, the Harmony N, the Navios Azalea, the Navios Dedication, the Esperanza N, the Castor N and the Solar N amounted to $35.0 million, partially mitigated by a loss on sale of the Joie N that amounted to $1.4 million. There was no gain on sale of vessels for the year ended December 31, 2020.

Vessels impairment loss: As of December 31, 2021, the Company concluded that events and circumstances did not trigger the existence of potential impairment of its vessels, mainly due to the market improvement. As a result, there was no impairment for the year ended December 31, 2021. During the year ended December 31, 2020, Navios Partners recognized: (i) an impairment loss of $6.8 million for three containerships as the undiscounted projected cash flows did not exceed the vessels' carrying value pursuant to the impairment assessment performed as of June 30, 2020; (ii) an impairment loss of $51.0 million for four drybulk vessels as the undiscounted projected cash flows did not exceed the vessels' carrying value pursuant to the impairment assessment performed as of December 31, 2020; (iii) an impairment loss of $1.8 million related to the sale of the Esperanza N which was completed on January 13, 2021; (iv) an impairment loss of $2.0 million related to the sale of the Castor N which was completed on February 10, 2021; and (v) an impairment loss of $10.0 million related to the sale of the Navios Soleil which was completed on December 10, 2020.

Interest expense and finance cost, net: Interest expense and finance cost, net for the year ended December 31, 2021 increased by $18.6 million, or 76.9%, to $42.8 million, as compared to $24.2 million for the year ended December 31, 2020. The increase was mainly due to the interest and finance costs of Navios Containers' credit facilities and financial liabilities recognized following the completion of the NMCI Merger on March 31, 2021 and the interest and finance costs of Navios Acquisition's credit facilities and financial liabilities recognized following the control obtained on August 25, 2021.

Interest income: Interest income increased by approximately $0.3 million to $0.9 million for the year ended December 31, 2021, as compared to $0.6 million for the year ended December 31, 2020.

Impairment of receivable in affiliated company: Impairment of receivable in affiliated company for the year ended December 31, 2020 amounted to $6.9 million, related to the other-than-temporary impairment recognized in the Navios Partners' receivable from Navios Europe II. There was no impairment for the year ended December 31, 2021.

Other income: Other income for the year ended December 31, 2021 amounted to $0.3 million, as compared to $5.1 million for the year ended December 31, 2020. The decrease was mainly attributable to $2.7 million related to the settlement of claims and recovery of other receivables of one of our vessels during the previous year.

Other expense: Other expense for the year ended December 31, 2021 amounted to $9.7 million as compared to $4.3 million for the year ended December 31, 2020 mainly due to the increase in claim expense and other miscellaneous expenses following the Mergers.

Equity in net earnings of affiliated companies: Equity in net earnings of affiliated companies for the year ended December 31, 2021 amounted to $80.8 million as compared to $1.1 million for the year ended December 31, 2020. The amount of $80.8 million is the gain from equity in net earnings resulting from the remeasurement of the existing interest held in Navios Containers upon NMCI Merger. As of March 31, 2021, Navios Partners previously held interest of 35.7% in Navios Containers was remeasured to a fair value of $107.0 million, resulting in revaluation gain of $75.4 million which along with the equity gain of approximately $5.4 million from the operations of Navios Containers up to the closing date aggregate to a gain on acquisition of control in the amount of $80.8 million.

Transaction costs: Transaction costs amounted to $10.4 million for the year ended December 31, 2021 and were related to the Mergers. There were no transaction costs for year ended December 31, 2020.

Bargain gain: Bargain gain amounted to $48.0 million for the year ended December 31, 2021, resulting from the excess Navios Containers' fair value of the identifiable net assets acquired of $342.7 million over the total purchase price consideration of $298.6 million and the excess of Navios Acquisition's fair value of the identifiable net assets acquired of $211.6 million over the fair value of the consideration transferred of $150.0 million and the fair value of the noncontrolling interest of $57.6 million.

Net loss attributable to the noncontrolling interest: Net loss attributable to the noncontrolling interest amounted to $4.9 million for the year ended December 31, 2021.

Net income/ (loss) attributable to Navios Partners' unitholders: Net income for the year ended December 31, 2021 amounted to $516.2 million compared to net loss of $68.5 million for the year ended December 31, 2020. The increase in net income of $584.7 million was due to the factors discussed above.

Operating surplus: Navios Partners generated an Operating Surplus for the year ended December 31, 2021 of $293.7 million, as compared to $39.9 million for the year ended December 31, 2020. 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).

For a detailed discussion of operating results for the year ended December 31, 2020 compared to the year ended December 31, 2019 please see "Item 5. Operating and Financial Review and Prospects - A. Operating results" included in Navios Partners' 2020 Annual Report filed on Form 20-F with the SEC on March 31, 2021.

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

As of December 31, 2021, the total borrowings, net of deferred finance costs under the Navios Partners' credit facilities were $1,361.7 million.

Credit Facilities

Term Loan B Facility:

On March 14, 2017, Navios Partners completed the issuance of a $405.0 million Term Loan B Facility. The Term Loan B Facility bore an interest rate of LIBOR plus 500 bps, it was set to mature on September 14, 2020 and was repayable in equal quarterly installments of 1.25% of the initial principal amount. Navios Partners used the net proceeds of the Term Loan B Facility to: (i) refinance the Term Loan B Facility existing at the time; and (ii) pay fees and expenses related to the Term Loan B. On August 10, 2017, Navios Partners completed the issuance of a $53.0 million add-on to its Term Loan B Facility. The add-on to the Term Loan B Facility bore the same terms as the Term Loan B Facility. Navios Partners used the net proceeds to partially finance the acquisition of three vessels.

On October 10, 2019, Navios Partners fully prepaid the Term Loan B Credit Facility's outstanding balance of $253.8 million, initially repayable on September 14, 2020. Following the prepayments an amount of $2.0 million and $4.1 million was written-off from the deferred fees and discount, respectively.

BNP PARIBAS Credit Facilities: On June 26, 2017, Navios Partners entered into a credit facility with BNP PARIBAS of up to $32.0 million (divided into two tranches) in order to partially finance the acquisition of the Navios Ace and the Navios Sol. On June 28, 2017, the first tranche of credit facility of $17.0 million was drawn. On July 18, 2017, the second tranche of credit facility of $15.0 million was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the first tranche in the amount of $15.1 million. Following this repayment, an amount of $0.1 million was written-off from the deferred finance fees. On April 9, 2019, Navios Partners amended the existing credit facility, in order to refinance two vessels and replace the existing collateral under the credit facility. The facility matured in the third quarter of 2021 and bore interest at LIBOR plus 300 bps per annum. In May 2021, the outstanding balance of the loan amounting to $7.4 million was prepaid and refinanced.

On April 28, 2021, Navios Partners entered into new credit facility with BNP PARIBAS for a total amount of $40.0 million 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. As of December 31, 2021, the remaining outstanding balance was $37.1 million and is repayable in 14 equal consecutive quarterly installments of $1.4 million each, with a final balloon payment of $17.1 million to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

DVB Credit Facilities: On July 31, 2018, Navios Partners entered into a credit facility with DVB Bank S.E. of up to $44.0 million (divided into two tranches) in order to finance the acquisition of the Navios Sphera and the Navios Mars. The amounts of $17.5 million and $26.5 million were drawn on August 30, 2018. Pursuant to the supplemental letter dated March 30, 2021, the repayment was amended. As of December 31, 2021, the remaining outstanding balance of the DVB credit facility was $33.6 million and is repayable in four consecutive quarterly installments of $0.8 million each, with a final balloon payment of $30.4 million to be repaid on the last repayment date. The facility matures in the fourth quarter 2022 and bears interest at LIBOR plus 290 bps per annum.

On February 12, 2019, Navios Partners entered into a credit facility with DVB Bank S.E. of up to $66.0 million (divided into four tranches) in order to refinance the DVB credit facility dated June 28, 2017 and three capesize vessels previously included in the Term Loan B collateral package. On April 15, 2019, Navios Partners drew the two tranches of $15.7 million each. On October 10, 2019, Navios Partners drew the two additional tranches of $14.8 million each. Pursuant to the supplemental letter dated March 30, 2021, as of December 31, 2021 the remaining outstanding balance of the facility was $41.6 million and is repayable in five consecutive quarterly installments of $1.9 million each, with a final balloon payment of $32.3 million, to be repaid on the last repayment date. The facility matures in the first quarter of 2023 and bears interest at LIBOR plus 260 bps per annum.

HCOB Credit Facilities: On September 26, 2019, Navios Partners entered into a new credit facility with Hamburg Commercial Bank AG of up to $140.0 million in order to refinance eight drybulk vessels and five Containerships, previously included in the Term Loan B collateral package. On October 10, 2019, the amount of $140.0 million of credit facility was drawn. The facility matured in the third quarter of 2021 and bore interest at LIBOR plus 320 bps per annum. In June 2021, the outstanding balance of the loan amounting to $107.8 million was prepaid and refinanced.

On May 11, 2021, Navios Partners entered into a new credit facility with Hamburg Commercial Bank for a total amount of up to $160.0 million, in order to: (i) refinance its existing HCOB credit facility dated September 26, 2019; (ii) refinance the existing facility of one dry bulk vessel; and (iii) to partially finance the acquisition of one dry bulk vessel. On June 8, 2021, the full amount of the credit facility was drawn. In October 2021, following the sale of one 2006-built panamax vessel, the amount of $3.8 million was prepaid. Following this partial prepayment, as of December 31, 2021, the outstanding balance of the credit facility was $143.8 million and is repayable in six consecutive quarterly installments of $6.1 million each and eight consecutive quarterly installments of $3.7 million each, with a final balloon payment of $78.0 million to be repaid on the last repayment date. The facility matures in the second quarter of 2025, bears interest at LIBOR plus 310 bps per annum.

Hellenic Bank Credit Facility: On June 25, 2020, the Company entered into a new credit facility with Hellenic Bank Public Company Limited in order to partially refinance the ABN credit facility dated December 12, 2019, relating to four of the containerships acquired from Navios Europe I, of up to $17.0 million. In the first quarter of 2021, following the sale of a 2006-built Containership of 3,398 TEU and a 2007-built Containership of 3,091 TEU, an aggregate amount of $7.9 million was prepaid.

On April 23, 2021, Navios Partners extended the credit facility with Hellenic Bank Public Company Limited dated June 25, 2020 for an amount of $8.9 million in order to partially finance the acquisition of one containership from Navios Acquisition. On April 28, 2021, the amount of $8.9 million was drawn. In August 2021, following the sale of one 2006-built containership of 2,824 TEU, the amount of $4.0 million was prepaid. In October 2021, an additional amount of $0.5 million was prepaid. As of December 31, 2021, the remaining outstanding balance was $10.1 million and is repayable in two consecutive quarterly installments of $0.9 million each, two consecutive quarterly installments of $0.4 million each, seven consecutive quarterly installments of approximately $0.3 million each and one quarterly installment of approximately $0.4 million with a final balloon payment of $5.0 million to be repaid on the last repayment date. The credit facility matures in the fourth quarter of 2024 and bears interest at LIBOR plus a margin ranging from 300 bps to 350 bps per annum.

Nordea/Skandinaviska Enskilda/NIBC Credit Facilities: On March 26, 2018, Navios Partners entered into a new credit facility with Nordea Bank AB, Skandinaviska Enskilda BanKen AB and NIBC Bank N.V. of up to $14.3 million (divided into two tranches) in order to partially finance the acquisition of the Navios Symmetry and the Navios Altair I. On May 18, 2018, the first tranche of the credit facility of $7.2 million was drawn. On June 1, 2018 the second tranche of the March 2018 credit facility of $7.2 million was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the second tranche in the amount of $6.6 million. Following this repayment, an amount of $0.1 million was written-off from the deferred finance fees. As of December 31, 2021, the outstanding balance of the credit facility was $3.0 million and is repayable in six equal consecutive quarterly installments of $0.3 million each, with a final balloon payment of $1.2 million to be repaid on the last repayment date. The facility matures in the second quarter of 2023 and bears interest at LIBOR plus 300 bps per annum.

On December 28, 2018, Navios Partners entered into a new credit facility with NIBC Bank N.V. of up to $28.5 million (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 $11.9 million was drawn. On October 10, 2019, the two remaining tranches of the credit facility of $13.5 million 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. As of December 31, 2021, the outstanding balance of the credit facility was $18.9 million and is repayable in eight consecutive quarterly installments of $0.8 million each, with a final balloon payment of $12.9 million to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 275 bps per annum.

ABN Credit Facilities: On December 12, 2019, the Company entered into a new credit facility with ABN Amro Bank N.V. of up to $23.5 million in order to finance the acquisition of the five container vessels from Navios Europe I which had subsequently been refinanced from Hellenic Bank Public Company Limited in June 2020. On September 30, 2020, the Company entered into a second supplemental agreement with ABN Amro Bank N.V., to extend the terms of the then outstanding balance. The credit facility matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to February 28, 2021 and 600 bps per annum up to maturity date. In January 13, 2021, the outstanding balance of the loan amounting to $3.4 million was fully repaid.

On June 26, 2020, the Company entered into a new credit facility with ABN Amro Bank N.V. of up to $32.2 million in order to finance the acquisition of the five drybulk vessels acquired from Navios Europe II. In March 2021, following the sale of one 2011-built Ultra-Handymax vessel of 56,557 dwt, the amount of $4.6 million was prepaid. The facility matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to December 31, 2020 and 425 bps per annum up to maturity date. In June 2021, the outstanding balance of the loan amounting to $21.5 million was prepaid and refinanced.

DORY Credit Facility: On December 16, 2019, the Company entered into a credit facility with Dory Funding DAC of up to $37.0 million in order to finance the acquisition of four drybulk vessels. The facility was scheduled to mature in the third quarter of 2022 and bore interest at LIBOR plus 475 bps per annum for the first twelve-month period after the utilization date, 600 bps for the following twelve-month period and 700 bps for the period commencing 24 months after the utilization date through the termination date. On January 25, 2021, an amount of $9.5 million was repaid under the facility for the release of one handymax vessel. In June 2021, the outstanding balance of the loan amounting to $25.0 million was prepaid and refinanced.

NBG Credit Facility: On June 17, 2021, Navios Partners entered into a new credit facility with National Bank of Greece for a total amount of up to $43.0 million, 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 $6.0 million was prepaid. As of December 31, 2021, the remaining outstanding balance was $34.4 million and is repayable in two consecutive quarterly installments of $1.3 million each followed by 16 consecutive quarterly installments of $1.1 million each, together with a final balloon payment of $14.6 million to be paid on the last repayment date. The facility matures in the second quarter of 2026 and bears interest at LIBOR plus 300 bps per annum.

DNB BANK ASA Credit Facilities: On April 5, 2019, Navios Partners entered into a new credit facility with DNB Bank ASA of up to $40.0 million (divided into two tranches) in order to refinance two Capesize vessels, previously included in the Term Loan B collateral package. On October 10, 2019, the two tranches of the credit facility of $34.4 million were drawn. The facility was scheduled to mature in the second quarter of 2024 and bore interest at LIBOR plus 275 bps per annum. In December 2021, the outstanding balance of the loan amounting to $26.7 million was prepaid and refinanced and the vessels were released from the facility.

On August 19, 2021, Navios Partners entered into a new credit facility with DNB Bank ASA for a total amount of up to $18.0 million, 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, 2021, the remaining outstanding balance was $17.3 million and is repayable in 19 consecutive quarterly installments of $0.6 million each together with a final balloon payment of $5.2 million to be paid on the last repayment date. The facility matures in the third quarter of 2026 and bears interest at LIBOR plus 285 bps per annum.

On December 13, 2021, Navios Partners entered into a new sustainability linked credit facility with DNB Bank ASA of up to $72.7 million 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. As of December 31, 2021, the total outstanding balance was $72.7 million and is repayable in 19 consecutive quarterly installments of $2.2 million each following a final balloon payment of $30.3 million to be paid on the last repayment date. The facility matures in the fourth quarter of 2026 and bears interest at LIBOR 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).

CACIB Credit Facilities: On July 4, 2019, Navios Partners entered into a new credit facility with Credit Agricole Corporate and Investment Bank ("CACIB") of up to $52.8 million (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 $36.5 million, in total were drawn. In October 2019, the fourth tranche of the credit facility of $16.3 million was drawn On August 23, 2021, Navios Partners prepaid $11.4 million of the credit facility and released one vessel from the collateral package of the credit facility. The Company entered into a new sale and leaseback agreement of $15.0 million for the released vessel (see also Financial Liabilities below). As of December 31, 2021, the remaining outstanding balance of the credit facility was $26.5 million and is repayable in seven consecutive six-month installments of $2.3 million each, with a final balloon payment of $10.4 million to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 275 bps per annum.

On September 28, 2020, the Company entered into a credit facility with CACIB of up to $33.0 million in order to finance the acquisition of the two drybulk vessels acquired from Navios Holdings. The facility was drawn in full on September 30, 2020 and bore interest at LIBOR plus 325 bps per annum. In March 30, 2021, the outstanding balance of the loan amounting to $32.2 million was prepaid and refinanced.

On March 23, 2021, Navios Partners entered into a new credit facility with CACIB of $58.0 million 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. As of December 31, 2021, the remaining outstanding balance was $52.4 million is repayable in 17 consecutive quarterly installments of $1.6 million each, together with a final balloon payment of $25.2 million to be repaid on the last repayment date. The credit facility matures in the first quarter of 2026 and bears interest at LIBOR plus 300 bps per annum.

Upon completion of the NMCI Merger, Navios Partners assumed the following credit facilities:

ABN AMRO BANK N.V Facility: On December 3, 2018, Navios Containers entered into a facility agreement with ABN AMRO for an amount of up to $50.0 million divided into two tranches: (i) the first tranche is for an amount of up to $41.2 million in order to refinance the outstanding debt of four containerships and to partially finance the acquisition of one containership; and (ii) the second tranche is for an amount of up to $8.8 million in order to partially finance the acquisition of one containership. This loan bears interest at a rate of LIBOR plus 350 bps. Navios Containers drew the entire amount under this facility, net of the loan's discount of $0.5 million in the fourth quarter of 2018. On June 28, 2019, Navios Containers entered into a supplemental agreement with ABN AMRO, under which Navios Containers made a partial prepayment of the loan in the aggregate amount of $9.4 million and two containerships were released from the facility. In December 2021, following an additional supplemental agreement with the ABN AMRO, the Company made a partial prepayment of the loan in the aggregate amount of $2.0 million and three containerships were released from the facility. As of December 31, 2021, the remaining outstanding balance of the credit facility was $13.1 million and is repayable in four equal consecutive quarterly installments of $0.8 million each, with a final balloon payment of $10.1 million to be repaid on the last repayment date. The facility matures in the fourth quarter of 2022 and bears interest at LIBOR plus 350 bps per annum.

BNP Paribas Facility: On June 26, 2019, Navios Containers entered into a facility agreement with BNP Paribas for an amount of up to $54.0 million to refinance the existing facilities of seven containerships. On June 27, 2019, Navios Containers drew $48.8 million net of loan's discount of $0.4 million. As of December 31, 2021, the remaining outstanding balance of the credit facility was $30.5 million and is repayable in ten equal consecutive quarterly installments of approximately $1.7 million each, with a final balloon payment of $13.5 million to be repaid on the last repayment date. The loan bears interest at a rate of LIBOR plus 300 bps and matures in the second quarter of 2024.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following credit facilities:

8 1/8% First Priority Ship Mortgages: On August 26, 2021, Navios Acquisition called for redemption all of its outstanding 8 1/8% First Priority Ship Mortgages ("Ship Mortgage Notes") by delivery of a redemption notice to the registered holders of the Ship Mortgage Notes and remitted to the indenture trustee the aggregate redemption price payable to the holders of the Ship Mortgage Notes to satisfy and discharge Navios Acquisition's obligations under the indenture relating to the Ship Mortgage Notes. Navios Acquisition funded the approximately $397.5 million aggregate redemption price with net proceeds from (i) the sale by Navios Acquisition pursuant to the NNA Merger (in reliance on the exemption from registration provided for under Section 4(a)(2) of the Securities Act) of 44,117,647 shares of Navios Acquisition common stock to Navios Partners for an aggregate purchase price of $150.0 million, and borrowings under the Hamburg Commercial Bank AG facility dated in August 2021 and BNP Paribas S.A. Bank facility dated in August 2021. The Ship Mortgage Notes were redeemed in full on September 25, 2021.

DVB Bank S.E. and Credit Agricole Corporate and Investment Bank: On December 29, 2011, Navios Acquisition entered into a loan agreement with DVB Bank SE and Credit Agricole Corporate and Investment Bank of up to $56.3 million (divided into two tranches of $28.1 million each) to partially finance the purchase price of two MR2 product tanker vessels. Each tranche of the facility was repayable in 32 quarterly installments of $0.4 million each with a final balloon payment of $15.6 million to be repaid on the last repayment date. The repayment started three months after the delivery of the respective vessel and bore interest at a rate of LIBOR plus: (a) up to but not including the drawdown date, 175 bps per annum; (b) thereafter until, but not including, the tenth repayment date, 250 bps per annum; and (c) thereafter 300 bps per annum. On December 15, 2021, the outstanding balance of the loan amounting to $33.6 million was prepaid and refinanced.

BNP Paribas S.A. Bank Facilities: On December 18, 2015, Navios Acquisition, through certain of its wholly owned subsidiaries, entered into a term loan facility agreement of up to $44.0 million with BNP Paribas, as agent and the lenders named therein, for the partial post-delivery financing of a LR1 product tanker and a MR2 product tanker. The credit facility was repayable in 12 equal consecutive semi-annual installments in the amount of $2.0 million each, with a final balloon payment of $20.0 million repaid on the last repayment date. The loan matured in December 2021. The loan bore interest at LIBOR plus 230 bps per annum. In December 2021, the outstanding balance of the loan amounting to $22.0 million was fully repaid.

In August 2021, Navios Acquisition, entered into a loan facility agreement of up to $96.0 million 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. Following the amendment, as of December 31, 2021, the remaining outstanding balance of the credit facility was $91.4 million and is repayable in 15 equal consecutive quarterly installments in the amount of $5.0 million each, with a final balloon payment of $16.4 million to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

Hamburg Commercial Bank AG Facilities: In June 2017, Navios Acquisition entered into a loan facility for an amount of $24.0 million to refinance the credit facility with ABN AMRO Bank N.V. of its two chemical tankers. The facility was repayable in 17 equal consecutive quarterly installments of $0.6 million each, with a final balloon payment of the balance to be repaid on the last repayment date. The facility was scheduled to mature in September 2021 and bore interest at LIBOR plus 300 bps per annum. In August 2021, the outstanding balance of the loan amounting to $14.8 million was prepaid and refinanced.

In October 2019, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG of up to $31.8 million in order to refinance the existing facility of one VLCC. The facility was repayable in four quarterly installments of $0.9 million each with a final balloon payment of $28.4 million repayable on the last repayment date. The facility was expected to mature in October 2020 and bore interest at LIBOR plus 280 bps per annum. In October 2020, Navios Acquisition extended the maturity date of the loan to October 2024. The remaining balance of the facility was repayable in 16 quarterly installments of $0.9 million each with a final balloon payment of $14.9 million repayable on the last repayment date and bore interest at LIBOR plus 390 bps per annum. In August 2021, the outstanding balance of the loan amounting to $25.9 million was prepaid and refinanced.

In August 2021, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG of $190.2 million 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. Following the amendment and as of December 31, 2021, the remaining outstanding balance of the credit facility was $182.9 million and is repayable in ten quarterly installments of $7.3 million each, and four quarterly installments of $4.5 million each, with a final balloon payment of $91.4 million, to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 295 bps per annum.

Eurobank S.A: In June 2020, Navios Acquisition entered into a loan agreement with Eurobank S.A. of $20.8 million in order to refinance two LR1s. As of December 31, 2021, the remaining outstanding balance of the credit facility was $16.0 million and is repayable in ten quarterly installments of $0.8 million each with a final balloon payment of $8.0 million repayable on the last repayment date. The facility matures in the second quarter of 2024 and bears interest at LIBOR plus 300 bps per annum.

The credit facilities prohibit us from paying distributions to our unitholders or making new investments if, before and after giving effect to such distribution or investment we are not in compliance with the financial covenants described above or upon the occurrence of an event of default. Events of default under our credit facilities include:

- failure to pay any principal, interest fees, expenses or other amounts when due;
- breach of certain undertakings, negative covenants and financial covenants contained in the credit facilities, any related security document or guarantee, including failure to maintain unencumbered title to any of the vessel-owning subsidiaries or any of the assets of the vessel-owning subsidiaries and failure to maintain proper insurance and in some cases subject to certain grace and due periods;
- default under other indebtedness;
- any representation, warranty or statement made by us in the credit facilities or any drawdown notice thereunder or related security document or guarantee is untrue or misleading when made;
- any of our or our subsidiaries' assets are subject to any form of execution, attachment, arrest, sequestration or distress in that is not discharged within a specified period of time;
- an event of insolvency or bankruptcy;
- a material adverse change in the financial position or prospects of us or our General Partner;
- unlawfulness, non-effectiveness or repudiation of any material provision of our credit facilities, of any of the related finance and guarantee documents;
- failure of effectiveness of security documents or guarantee;
- instability affecting a country where the vessels are flagged; and
- failure of Navios Holdings, Angeliki Frangou, or their affiliates (as defined in the credit facilities agreements) to own at least 5% of us.

Financial Liabilities

In December 2018, the Company entered into two sale and leaseback agreements of $25.0 million 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. Navios Partners is obligated to make 69 and 60 consecutive monthly payments, respectively, of approximately $0.2 million and $0.2 million each, respectively, commencing in December 2018. As of December 31, 2021, the outstanding balance under the sale and leaseback agreements of the Navios Fantastiks and the Navios Beaufiks was $18.5 million in total. The agreements mature in the third quarter of 2024 and fourth quarter of 2023, respectively, with a purchase obligation of $6.3 million per vessel on the last repayment date.

On April 5, 2019, the Company entered into a new sale and leaseback agreement of $20.0 million, 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 $20.0 million was drawn. Navios Partners is obligated to make 120 consecutive monthly payments of approximately $0.2 million each that commenced in April 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Sol was $16.8 million. The agreement matures in the second quarter of 2029, with a purchase obligation of $6.3 million on the last repayment date.

On June 7, 2019, the Company entered into a new sale and leaseback agreement of $7.5 million, with unrelated third parties for the Navios Sagittarius, a 2006-built Panamax vessel of 75,756 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, 2019, the amount of $7.5 million was drawn. Navios Partners is obligated to make 36 consecutive monthly payments of approximately $0.2 million each that commenced in June 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Sagittarius was $2.8 million. The agreement matures in the second quarter of 2022, with a purchase obligation of $2.0 million on the last repayment date.

On July 2, 2019, the Company entered into a new sale and leaseback agreement of $22.0 million, 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 $22.0 million was drawn. Navios Partners is obligated to make 132 consecutive monthly payments of approximately $0.2 million each that commenced in July 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Ace was $19.1 million. The agreement matures in the third quarter of 2030, with a purchase obligation of $6.3 million on the last repayment date.

In June 2021, the Company entered into a new sale and leaseback agreement of $15.0 million, 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 $15.0 million was drawn. Navios Partners is obligated to make 72 consecutive monthly payments of approximately $0.2 million that commenced in June 2021. The agreement matures in the second quarter of 2027, with a purchase obligation of $5.0 million on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Bonavis was $14.1 million.

In June 2021, the Company entered into a new sale and leaseback agreement of $18.5 million, 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 $18.5 million was drawn. Navios Partners is obligated to make 108 consecutive monthly payments of approximately $0.2 million each that commenced in June 2021. The agreement matures in the second quarter of 2030, with a purchase obligation of $5.0 million on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Ray was $17.8 million.

On August 16, 2021, the Company entered into a new sale and leaseback agreement of $15.0 million 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 $15.0 million was drawn. Navios Partners is obligated to make 72 consecutive monthly payments of approximately $0.2 million each that commenced in August 2021. The agreement matures in the third quarter of 2027, with a purchase obligation of $5.0 million on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Pollux was $14.4 million.

Upon completion of the NMCI Merger, Navios Partners assumed the following financial liabilities:
On May 25, 2018, Navios Containers entered into a $119.0 million 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 $37.5 million. On July 27, 2018 and on August 29, 2018, Navios Containers completed the sale and leaseback of four additional vessels for $26.0 million. On November 9, 2018, Navios Containers completed the sale and leaseback of four additional vessels for $26.7 million. 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 $4.8 million was prepaid. Following the prepayment, Navios Containers is obligated to make 28 monthly payments in respect of all 13 vessels ranging from $0.3 million to $0.8 million each. Navios Containers also has an obligation to purchase the vessels at the end of the fifth year for $41.9 million. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was $57.1 million.

On March 11, 2020, Navios Containers completed a $119.1 million 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 $1.2 million. Navios Containers also has an obligation at maturity to purchase: (i) the two 10,000 TEU containerships for $25.5 million in the aggregate; and (ii) the two 8,204 TEU containerships for $18.0 million in the aggregate. The sale and leaseback agreement: (i) is repayable in 28 quarterly installments of $2.0 million each, in the aggregate, matures in March 2027 and bears interest at LIBOR plus 310 bps per annum for the two 10,000 TEU containerships; and (ii) is repayable in 20 quarterly installments of: (a) $16,000 per day, in the aggregate, for the first eight installments; and (b) $6,900 per day, in the aggregate, for the remaining 12 installments, matures in March 2025 and bears interest at LIBOR plus 335 bps per annum for the two 8,204 TEU containerships. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was $94.7 million.

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 $71.5 million 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 the Company 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, the Company drew $71.5 million under this agreement. The agreement will be repayable in 24 equal consecutive quarterly installments of approximately $1.5 million each, with a repurchase obligation of $35.8 million on the last repayment date. The sale and leaseback agreement matures in April 2024 and bears interest at LIBOR plus 305 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was $49.2 million.

In March and April 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for $103.2 million in order to refinance $50.3 million outstanding on the existing facility on three product tankers and to finance two 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. Following a prepayment made in April 2021, the agreements will be repayable in 17 equal consecutive quarterly installments of $2.3 million each, followed by one quarterly installment of $1.4 million, with a purchase obligation of $34.0 million to be repaid on the last repayment date. The sale and leaseback agreements mature in March and April 2026 respectively, and bear interest at LIBOR plus 350 bps per annum. As of December 31, 2021, the outstanding balance under these agreements was $73.9 million.

In August 2019, Navios Acquisition entered into an additional sale and leaseback agreement of $15.0 million, with unrelated third parties in order to refinance one product tanker. Navios Acquisition has a purchase option in place and an assessment has been performed indicating that the likelihood of the vessel remaining in the property of the lessor at the end of the lease term is remote. In such a case, the buyer-lessor does not obtain control of the vessel and under ASC 842-40, the transaction was determined to be a failed sale. Navios Acquisition is obligated to make 60 consecutive monthly payments of approximately $0.2 million, commencing as of August 2019, with a purchase obligation of $5.6 million to be repaid on the last repayment date. The agreement matures in August 2024 and bears interest at LIBOR plus an implied margin of 380 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was $10.5 million.

In September 2019, Navios Acquisition entered into additional sale and leaseback agreements with unrelated third parties for $47.2 million 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.

Following a prepayment made in April 2021, the agreements will be repaid through periods ranging from four to seven years in consecutive quarterly installments of up to $1.4 million each, with a purchase obligation of $18.0 million to be repaid on the last repayment date. The agreements mature in September 2023 and September 2026 and bear interest at LIBOR plus a margin ranging from 350 bps to 360 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under this agreement was $33.7 million.

In October 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for $90.8 million in order to refinance six 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 will be repaid through periods ranging from three to eight years in consecutive quarterly installments of up to $2.8 million each, with a repurchase obligation of up to $25.8 million in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 335 bps to 355 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under these agreements was $68.2 million.

In June 2020, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for $72.1 million in order to refinance one MR1, one MR2 and two LR1s. 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. Following a prepayment made in April 2021, the agreements will be repaid through periods ranging from four to seven years in consecutive quarterly installments of up to $1.8 million each, with a repurchase obligation of up to $23.9 million in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 390 bps to 410 bps per annum, depending on vessel financed. As of December 31, 2021, the outstanding balance under the agreements was $58.3 million.

As of December 31, 2021, the security deposits under certain sale and leaseback agreements were $10.1 million, and are presented under “Other long-term assets” in the Consolidated Balance Sheets.

Amounts drawn of the credit facilities are secured by first preferred mortgages on certain Navios Partners’ vessels and other collateral and are guaranteed by the respective vessel-owning subsidiaries. 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 relating 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 105% 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) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth ranging from $30.0 million to $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, 2021, 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.

Liquidity and Capital Resources

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. We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from our equity offerings, operations, proceeds from asset sales, long-term bank borrowings and other debt raisings. As of December 31, 2021, Navios Partners' current assets totaled $226.3 million, while current liabilities totaled $395.5 million, resulting in a negative working capital position of $169.2 million. Navios Partners' cash forecast indicates that it will generate sufficient cash through its contracted revenue of $2,872.9 million as of April 1, 2022 and cash proceeds from sale of vessels (see Note 24 – Subsequent events to our consolidated financial statements, included elsewhere in this Annual Report) to make the required principal and interest payments on its indebtedness, 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, including opportunities we may pursue under the Omnibus Agreement. 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.

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50.0 million of the Company's common units over a two year period. Common unit repurchases were 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 were determined by Navios Partners' management based upon market conditions and other factors. Repurchases were made pursuant to a program adopted under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The program did not require any minimum repurchase or any specific number of common units and could have been suspended or reinstated at any time in Navios Partners' discretion and without notice. Repurchases were subject to restrictions under Navios Partners' credit facilities. As of December 31, 2021, since the commencement of the common unit repurchase program, Navios Partners had repurchased and cancelled 312,952 common units on a split adjusted basis, for a total cost of approximately $4.5 million. There were no repurchases during the year ended December 31, 2021, and the program expired in January 2021. The Company may in the future enact new repurchase programs if the Board of Directors deems it advisable for the Company.

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 common units having an aggregate offering price of up to $25.0 million. An amended Sales Agreement was entered into on August 3, 2020. As of April 1, 2022, since the commencement of sales pursuant to the amended Sales Agreement, Navios Partners has issued 1,286,857 units and received net proceeds of $23.9 million. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were $0.5 million.

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 common units having an aggregate offering price of up to $75.0 million. As of April 1, 2022, since the commencement of the $75.0m Sales Agreement, Navios Partners has issued 2,437,624 units and received net proceeds of $73.1 million. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were approximately $1.5 million.

On May 21, 2021, Navios Partners entered into a new 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 $110.0 million. As of April 1, 2022, since the commencement of the $110.0m Sales Agreement, Navios Partners has issued 3,963,249 units and received net proceeds of $103.7 million. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were approximately $2.2 million.

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

Cash flows for the year ended December 31, 2021 compared to the year ended December 31, 2020:

The following table presents cash flow information for the years ended December 31, 2021 and 2020. This information was derived from the audited Consolidated Statements of Cash Flows of Navios Partners for the respective periods.

	Year Ended December 31, 2021	Year Ended December 31, 2020
	(In thousands of U.S. dollars)	
Net cash provided by operating activities	$ 277,173	$ 94,086
Net cash used in investing activities	(106,252)	(83,854)
Net cash used in financing activities	(32,203)	(9,906)
Net increase in cash, cash equivalents and restricted cash	**$ 138,718**	**$ 326**

Cash provided by operating activities for the year ended December 31, 2021 as compared to the cash provided by operating activities for the year ended December 31, 2020:

Net cash provided by operating activities increased by $183.1 million to $277.2 million inflow for the year ended December 31, 2021, as compared to $94.1 million inflow for the same period in 2020.

The net cash outflow resulting from the change in operating assets and liabilities of $96.4 million for the year ended December 31, 2021 resulted from a: (i) $53.4 million increase in amounts due from related parties; (ii) $49.8 million payments for dry dock and special survey costs; (iii) $14.5 million decrease in amounts due to related parties; and (iv) $7.7 million decrease in accrued expenses. This was partially mitigated by a: (i) $17.7 million increase in deferred revenue; (ii) $9.8 million decrease in prepaid expenses and other current assets; (iii) $1.2 million increase in accounts payable; and (iv)$0.3 million decrease in accounts receivable.

The net cash inflow resulting from the change in operating assets and liabilities of $14.9 million for the year ended December 31, 2020 resulted from a: (i) $3.7 million decrease in prepaid expenses and other current assets; (ii) $27.5 million increase in amounts due to related parties; and (iii) $20.6 million decrease in amounts due from related parties. This was partially mitigated by a: (i) $6.5 million increase in accounts receivable; (ii) $2.3 million decrease in accounts payable; (iii) $1.7 million decrease in accrued expenses; (iv) $1.3 million decrease in deferred revenue; (v) $24.0 million payments for dry dock and special survey costs; and (vi) $1.0 million decrease in operating lease liabilities current and non-current.

Cash used in investing activities for the year ended December 31, 2021 as compared to the cash used in investing activities for the year ended December 31, 2020:

Net cash used in investing activities increased by $22.4 million to $106.3 million outflow for the year ended December 31, 2021, as compared to $83.9 million outflow for the same period in 2020.

Cash used in investing activities of $106.3 million for the year ended December 31, 2021 was mainly due to: (i) $217.0 million related to vessel acquisitions and additions; and (ii) $61.8 million related to deposits for the acquisition/ option to acquire vessels and capitalized expenses. This was partially mitigated by: (i) $121.0 million of proceeds related to the sale of the Navios Altair I, the Navios Azalea, the Navios Dedication, the Joie N, the Castor N, the Solar N, the Harmony N and the Esperanza N in 2021; (ii) $42.6 million of cash acquired from business acquisitions through the Mergers; and (iii) $8.9 million of proceeds from the senior unsecured notes of HMM.

Cash used in investing activities of $83.9 million for the year ended December 31, 2020 was mainly due to: (i) $72.4 million related to vessel acquisitions and additions; (ii) $10.7 million related to deposits for the option to acquire two bareboat charter-in vessels and capitalized expenses; and (iii) a $13.6 million repayment to Navios Holdings in relation to the seller's credit. This was partially mitigated by: (i) $8.2 million of proceeds related to the sale of the Navios Soleil on December 10, 2020; and (ii) $4.7 million of proceeds from the note receivable related to the sale of the MSC Cristina.

Cash used in financing activities for the year ended December 31, 2021 as compared to the cash used in financing activities for the year ended December 31, 2020:

Net cash used in financing activities increased by $22.3 million to $32.2 million outflow for the year ended December 31, 2021, as compared to $9.9 million outflow for the same period in 2020.

Cash used in financing activities of $32.2 million for the year ended December 31, 2021 was mainly due to: (i) loans and financial liabilities repayments of $959.2 million; (ii) payment of $12.2 million of deferred finance fees relating to the new credit facilities and sale and leaseback agreements; and (iii) payment of a total cash distributions of $4.6 million. This was partially mitigated by: (i) $735.3 million of proceeds from the new credit facilities and sale and leaseback agreements; and (ii) $208.5 million of proceeds from the issuance of 7,330,222 common units and 384,733 additional general partner units related to the Continuous Offering Program Sales Agreements and the acquisitions of Navios Containers and Navios Acquisition

Cash used in financing activities of $9.9 million for the year ended December 31, 2020 was mainly due to: (i) payment of a total cash distribution of $7.9 million; (ii) loans and financial liabilities repayments of $82.7 million; and (iii) a payment of $1.1 million of deferred finance costs related to the new credit facilities. This was partially offset by: (i) $79.5 million of proceeds from the from the new credit facilities and sale and leaseback agreements; and (ii) $2.3 million of proceeds from the issuance of 357,508 common units and 7,298 additional general partner units related to the Continuous Offering Program Sales Agreement.

For a detailed discussion of cash flows for the year ended December 31, 2020 compared to the year ended December 31, 2019 please see "Item 5. Operating and Financial Review and Prospects - A. Operating results" included in Navios Partners' 2020 Annual Report filed on Form 20-F with the SEC on March 31, 2021.

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

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
	(In thousands of U.S. dollars)		
Net cash provided by operating activities	**$ 277,173**	**$ 94,086**	**$ 70,395**
Net increase in operating assets	93,092	7,261	11,069
Decrease/ (increase) in operating liabilities	3,274	(22,207)	(2,643)
Net interest cost	41,903	23,520	39,082
Amortization and write-off of deferred finance cost	(3,741)	(2,141)	(10,916)
Amortization of operating lease right-of-use asset	401	(956)	(378)
Non cash accrued interest income and amortization of deferred revenue	(460)	1,588	12,638
Stock-based compensation	(523)	(946)	(2,018)
Gain on sale of vessels, net	33,625	—	—
Vessels impairment loss	—	(71,577)	(36,680)
Other than temporary impairment loss in Navios Containers investment	—	—	(42,603)
Non cash accrued interest income from receivable from affiliates		—	279
Bargain gain	48,015		
Impairment of receivable in affiliated company	—	(6,900)	—
Allowance for credit losses	—	(1,495)	—
Change in estimated guarantee claim receivable	—	—	(3,638)
Equity in earnings of affiliated companies, net of dividends received	80,839	1,133	2,532
Net loss attributable to noncontrolling interest	4,913	—	—
EBITDA(1)	**$ 578,511**	**$ 21,366**	**$ 37,119**
Equity in earnings of affiliated companies	(80,839)	—	—
Bargain gain	(48,015)	—	—
Transaction costs	10,439	—	—
Gain on sale of vessels, net	(33,625)	—	—
Impairment of receivable in affiliated company	—	6,900	—
Vessels impairment loss	—	71,577	36,680
Revision of estimated guarantee claim receivable	—	—	3,638
Other than temporary impairment loss in Navios Containers investment	—	—	42,603
Adjusted EBITDA	**$ 426,471**	**$ 99,843**	**$ 120,040**
Cash interest income	745	219	626
Cash interest paid	(50,382)	(23,717)	(32,869)
Maintenance and replacement capital expenditures	(83,147)	(36,455)	(29,039)
Operating Surplus	**$ 293,687**	**$ 39,890**	**$ 58,758**

(1)

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
	(In thousands of U.S. dollars)		
Net cash provided by operating activities	$ 277,173	$ 94,086	$ 70,395
Net cash used in investing activities	$ (106,252)	$ (83,854)	$ (17,034)
Net cash used in financing activities	$ (32,203)	$ (9,906)	$ (84,414)

EBITDA and Adjusted EBITDA

EBITDA represents net income/ (loss) attributable to Navios Partners' unitholders before interest and finance costs, depreciation and amortization (including intangible accelerated amortization) and income taxes. Adjusted EBITDA represents EBITDA before impairment losses, change in estimated guarantee claim receivable, gain on sale of vessels, equity in net earnings of affiliated companies, transaction costs and bargain gain. 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/(decrease) in operating assets; (ii) net (increase)/ decrease in operating liabilities; (iii) net interest cost; (iv) amortization and write-off of deferred financing cost; (v) equity in net earnings/ (loss) of affiliated companies; (vi) impairment charges; (vii) non-cash accrued interest income and amortization of deferred revenue; (viii) stock-based compensation expense; (ix) non-cash accrued interest income from receivable from affiliated companies; (x) amortization of operating lease right-of-use asset; (xi) gain/(loss) on sale of assets and bargain purchase gain; and (xii) net loss attributable to noncontrolling interest. 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, 2021 was affected by the accounting effect of a: (i) an $80.8 million gain from equity in net earnings of affiliated companies; (ii) a $48.0 million bargain gain upon obtaining control over Navios Acquisition and upon completion of NMCI Merger; (iii) a $33.6 million gain related to the sale of eight of our vessels; and (iv) $10.4 million of transaction costs in relation to the NNA Merger and NMCI Merger. Excluding these items, Adjusted EBITDA increased by $326.7 million to $426.5 million for the year ended December 31, 2021, as compared to $99.8 million for the same period in 2020. The increase in Adjusted EBITDA was primarily due to a: (i) $486.4 million increase in time charter and voyage revenues; and (ii) $4.9 million increase in net loss attributable to noncontrolling interest. The above increase was partially mitigated by a: (i) $97.7 million increase in vessel operating expenses, mainly due to the increased fleet; (ii) $25.1 million increase in time charter and voyage expenses; (iii) $17.5 million increase in general and administrative expenses, mainly due to the increased fleet; (iv) $13.0 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); (v) $5.4 million increase in other expense; (vi) $4.8 million decrease in other income; and (vii) $1.1 million decrease in equity in net earnings of affiliated companies.

EBITDA for the year ended December 31, 2020 was negatively affected by the accounting effect of a: (i) $6.9 million loss related to the other-than-temporary impairment recognized in the Navios Partners' receivable from Navios Europe II; (ii) $6.8 million impairment loss related to three containerships; (iii) $1.8 million impairment loss of related to the sale of the Esperanza N; (iv) $2.0 million impairment loss related to the sale of the Castor N; (v) $10.0 million impairment loss related to the sale of the Navios Soleil; and (vi) $51.0 million impairment loss related to four of our vessels. EBITDA for the year ended December 31, 2019 was negatively affected by the accounting effect of a: (i) $7.3 million impairment loss related to the sale of the Navios Galaxy I; (ii) $3.6 million revision of the estimated guarantee claim receivable; (iii) $29.3 million impairment loss related to one of our vessels; and (iv) $42.6 million OTTI loss in Navios Containers investment. Excluding these items, Adjusted EBITDA decreased by $20.2 million to $99.8 million for the year ended December 31, 2020, as compared to $120.0 million for the same period in 2019. The decrease in Adjusted EBITDA was primarily due to a: (i) $25.5 million increase in vessel operating expenses, mainly due to the increased fleet; (ii) $3.0 million increase in general and administrative expenses, mainly due to the increased fleet; (iii) $2.9 million increase in other expenses; and (iv) $1.4 million decrease in equity in net earnings of affiliated companies. The above decrease was partially mitigated by a: (i) $7.4 million increase in time charter and voyage revenues; (ii) $1.3 million decrease in time charter and voyage expenses; and (iii) $4.0 million increase in other income.

Operating Surplus

Operating Surplus represents net income adjusted for depreciation and amortization expense, non-cash interest expense, non-cash interest income, equity compensation expense, 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 and is a non-GAAP measure. 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, 2021 and December 31, 2020, total borrowings, net amounted to $1,361.7 million and $486.9 million, respectively. The current portion of long-term borrowings, net amounted to $255.1 million at December 31, 2021 and $201.8 million at December 31, 2020.

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, 2021, 2020 and 2019 amounted to $278.8 million, $83.1 million and $23.7 million, respectively.

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.

For the year ended December 31, 2020, expansion capital expenditures of $83.1 million related to: (i) $10.7 million representing deposits for the option to acquire two Panamax bareboat charter-in vessels expected to be delivered by the first half of 2021; and (ii) $72.4 million relating to vessel acquisitions, additions and capitalized expenses to our fleet.

For the year ended December 31, 2019, expansion capital expenditures of $23.7 million related to: (i) $2.5 million representing a deposit for the option to acquire a Panamax bareboat charter-in vessel expected to be delivered by the first half of 2021; and (ii) $21.2 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”.

Maintenance and Replacement Capital Expenditures Reserve

Our annual maintenance and replacement capital expenditures reserve for the years ended December 31, 2021 and 2020 was $83.1 million and $36.5 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

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 $62.8 million each. The vessels are expected to be delivered into Navios Partners' fleet during the first and the second half of 2024. Navios Partners agreed to pay in total $25.1 million in four installments for each vessel and the remaining amount of $37.7 million plus extras for each vessel will be paid upon delivery of the vessel. The closing of the transaction of the two optional containerships is subject to completion of customary documentation.

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 $61.6 million 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 $18.5 million in three installments for each vessel and the remaining amount of $43.1 million for each vessel plus extras will be paid upon delivery of the vessel. On November 15, 2021, the first installment of each vessel of $6.2 million, or $12.3 million accumulated for the two vessels, was paid.

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 $61.6 million each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2023 and first half of 2024. Navios Partners agreed to pay in total $18.5 million in three installments for each vessel and the remaining amount of $43.1 million for each vessel plus extras will be paid upon delivery of the vessel. On August 13, 2021, the first installment of each vessel of $6.2 million, or $24.6 million accumulated for the four vessels, was paid.

On June 30, 2021, Navios Partners agreed to acquire a newbuilding Panamax vessel, from an unrelated third party, for a purchase price of $34.3 million. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the first half of 2023. Navios Partners agreed to pay in total $34.3 million, of which $3.4 million was paid in July 2021 and the remaining amount of $30.9 million will be paid during 2022 and first half of 2023. In January 2022, Navios Partners declared its option to purchase the vessel. 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 the vessel, under a ten-year bareboat contract, from an unrelated third party.

In June 2021, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total $12.0 million, representing a deposit for the option to acquire the vessel after the end of the fourth year of which $6.0 million was paid in September 2021 and the remaining amount of $6.0 million will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the second half of 2022. In September 2021, Navios Partners declared its option to purchase the vessel.

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 Panamax vessel, under a ten-year bareboat contract, from an unrelated third party. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the second half of 2022. Navios Partners agreed to pay in total $6.3 million, of which $3.2 million was paid in April 2021 and the remaining amount will be paid during the first quarter of 2022. In December 2021, Navios Partners declared its option to purchase the vessel.

On March 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total $3.5 million, representing a deposit for the option to acquire the vessel after the end of the fourth year of which $1.8 million was paid in August 2021 and the remaining amount will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the first half of 2023.

On January 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract each, from an unrelated third party, three newbuilding Capesize vessels of approximately 180,000 dwt each. Navios Partners has the options to acquire the vessels after the end of year four for the remaining period of the bareboat charters. Navios Partners agreed to pay in total $10.5 million, representing a deposit for the options to acquire the vessels after the end of the fourth year, of which $5.3 million was paid in August 2021 and the remaining amount will be paid upon the delivery of the vessels. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2022 and the first half of 2023.

In the second quarter of 2020, Navios Acquisition exercised its option for a fourth newbuilding Japanese VLCC of approximately 310,000 dwt under a 12-year bareboat charter agreement with de-escalating purchase options and expected delivery in the second half of 2022.

Pursuant to our Omnibus Agreement with Navios Holdings, as amended, we will have the opportunity to purchase additional drybulk vessels from Navios Holdings when those vessels are fixed under charters of three or more years upon their expiration of their current charters or upon completion of their construction. Subject to the terms of our loan agreements, we could elect to fund any future acquisitions with equity or debt or cash on hand or a combination of these forms of consideration. Any debt incurred for this purpose could make us more leveraged and increase our debt service obligations or could subject us to additional operational or financial restrictive covenants.

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

Not applicable.

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 uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets and scrap value expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, valuation of intangible assets and liabilities acquired in business combinations, provisions for legal disputes, and contingencies and the valuation estimates inherent in the deconsolidation gain. 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.

Intangible Assets and Unfavorable Lease Terms: Navios Partners' intangible assets and liabilities consist of favorable lease terms and unfavorable lease terms. When a vessel along with the current charter contract are acquired as part of a business combination, 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 use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on Navios Partners' financial position and results 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, 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 step one of the impairment analysis was not required. As of each of December 31, 2020 and 2019, the management, after considering various indicators, performed an impairment test which included intangible assets. As of December 31, 2021, 2020 and 2019 there was no impairment of intangible assets.

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 useful lives and carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group 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.

The management of the Company has considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook. 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 step one of the impairment analysis was not required.

As of December 31, 2020, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment 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, an impairment assessment of long-lived assets (step one) was performed.

The Company determined the undiscounted projected net operating cash flows for each vessel and compared it to the vessels' carrying value together with the carrying value 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 carrying value of the related intangible assets, if applicable. The significant factors and assumptions the Company used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering 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, vessel operating expenses as determined by the Management Agreements in effect until December 2024 and thereafter assuming an increase of 3.0% every second year and utilization rate of 98.6% based on the fleet's historical performance.

Where the undiscounted projected net operating cash flows do not exceed the carrying value of an asset group, management proceeded to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determined fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations from independent ship brokers performed on an individual vessel basis. The significant factors and assumptions used by management in determining fair value of vessels included those in developing the projected net operating cash flows over the remaining economic life of each vessel and the discount rate.

During the fourth quarter of fiscal year 2020, our assessment concluded that step two of the impairment analysis was required for certain of our vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $51.0 million for four of our vessels, being the difference between the fair value and the vessels’ carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption “Vessels impairment loss” in the Consolidated Statements of Operations (see Note 7 — Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).

As of June 30, 2020, our assessment concluded that step two of the impairment analysis was required for three containerships held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $6.8 million for these vessels, being the difference between the fair value and the vessels’ carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels presented under the caption “Vessels impairment loss” in the Consolidated Statements of Operations.

As of December 31, 2019, our assessment concluded that step two of the impairment analysis was required for certain of our vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $29.3 million for one vessel, being the difference between the fair value and the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel, presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations (see Note 7 — Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).

During the years ended December 31, 2020 and 2019, an impairment loss of $13.8 million and $7.3 million, respectively, was also recognized in connection with the committed sales of the Navios Soleil in December 2020, the Esperanza N in January 2021, the Castor N in February 2021 and the Navios Galaxy in April 2019, 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 total impairment loss recognized amounted to $0 million, $71.6 million and $36.7 million for the years ended December 31, 2021, 2020 and 2019, respectively, and was presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

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 affects 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, 2021 and 2020.

Management estimates the useful life of the Company's vessels to be 25 years for drybulk and tanker vessels and 30 years from 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.

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 vessels' 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.

***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 on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the 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	57	Chairwoman of the Board, Chief Executive Officer and Director
Efstratios Desypris	49	Chief Operating Officer
George Achniotis	57	Executive Vice President-Business Development and Director
Shunji Sasada	64	Director
Serafeim Kriempardis	74	Director (Class III)
Orthodoxia Zisimatou	59	Director (Class II)
Kunihide Akizawa	62	Director (Class I)
Alexander Kalafatides	58	Director (Class I)
Vasiliki Papaefthymiou	53	Secretary
Erifyli Tsironi	48	Chief Financial Officer

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. Achniotis 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 Maritime Holdings Inc. (NYSE: NM) 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 United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. Since 2015, Ms. Frangou has been a Member of the Board of Trustees of Fairleigh Dickinson University. 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.

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 a Director and the 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.

George Achniotis was appointed to our Board of Directors in August 2007 and he has been our Executive Vice President-Business Development since February 2008. Mr. Achniotis has been Navios Holdings' Chief Financial Officer since April 12, 2007. Prior to being appointed Chief Financial Officer of Navios Holdings, Mr. Achniotis served as Senior Vice President - Business Development of Navios Holdings from August 2006 to April 2007. Prior to joining Navios Holdings, Mr. Achniotis was a partner at PricewaterhouseCoopers from 1999 to August 2006. Mr. Achniotis 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. Achniotis is also a member of the institute of certified accountants in Cyprus.

Shunji Sasada 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..In 1991, Mr. Sasada joined Trinity Bulk Carriers as its chartering manager as well as subsidiary board member representing Mitsui O.S.K. Lines Ltd. as one of the shareholders. After an assignment in Norway, Mr. Sasada moved to London and started Mitsui O.S.K. Lines Ltd.'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.

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.

Orthodoxia Zisimatou was appointed to our Board of Directors in June 2017. Mrs. Zisimatou has been a practicing maritime lawyer since 1988, focusing on S&P contracts and contracts of affreightment. She has been a member of the Permanent Committee of Maritime Policy, Security and Protection of the Environment and of the Legal Committee of the Hellenic Chamber of Shipping since 2007. She has also served as a Maritime Arbitrator for the Hellenic Chamber of Shipping since 2007. Since 2009, Mrs. Zisimatou has acted as the Secretary General of the Union of Piraeus Shipping Lawyers. She earned a bachelor's degree in Law from the faculty of Law of the University of Athens. Mrs. Zisimatou also serves on our Audit, Compensation and Conflicts Committees and is an independent director.

Kunihide Akizawa has 40 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. In 2021, he joined Fleet Management Limited as Vice President Business Development. 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 nearly 40 years of experience in general management and marketing. Mr. Kalafatides holds the position of global sales and marketing director of 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.

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.

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 25 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 the 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**.**

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, 2021, 2020 and 2019 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, 2021, 2020 and 2019, the fees charged by the Managers for administrative services, was $28.8 million, $13.7 million and $10.4 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 $0.06 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, 2021, the aggregate annual fees paid to our non-management directors were $0.3 million and $0.2 million was paid to Ms. Frangou for acting as a director and as our Chairwoman of the Board.

In December 2021, the Compensation Committee of Navios Partners authorized and approved a cash payment of $3.3 million to our officers and directors for which all service conditions had been met as of December 31, 2021. Also, the Compensation Committee of Navios Partners authorized and approved an additional $3.3 million cash payment to the directors and officers of the Company subject to fulfillment of certain service conditions in 2022.

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. There were no restricted common units exercised, forfeited or expired during the years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, 347,389 restricted common units were vested, cumulatively.

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 2022; 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 and Serafeim Kriempardis and Mrs. Orthodoxia Zisimatou.

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 Mrs. Orthodoxia Zisimatou.

Lastly, we have a Compensation Committee consisting of two independent directors, Mrs. Orthodoxia Zisimatou 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. Erifili Tsironi, our Secretary, Vasiliki Papaefthymiou, and our Executive Vice President-Business Development, George Achniotis, 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, Indian, Georgian, Romanian and Bulgarian officers and Filipino, Georgian, 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”.

E. Unit Ownership

The following table sets forth certain information regarding beneficial ownership, as of April 1, 2022, 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 31, 2022 (60 days after April 1, 2022) through the exercise of any unit option or other right. The percentage disclosed below is based on all outstanding common units (30,197,087), not including general partner units (622,555). 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)]	1,550,632	5.1%
Efstratios Desypris	*	*
George Achniotis	*	*
Shunji Sasada	*	*
Serafeim Kriempardis	*	*
Kunihide Akizawa	*	*
Alexander Kalafatides	*	*
Orthodoxia Zisimatou	*	*
Erifili Tsironi	—	—
Vasiliki Papaefthymiou	—	—
All directors and officers as a group (7 persons)[(2)]	1,638,455	5.4%

* Less than 1%

(1) Excludes units owned by Navios Holdings, on the board of which our Chief Executive Officer, Angeliki Frangou and our Secretary Vasiliki Papaefthymiou, as well as one of our directors, Shunji Sasada, all serve. In addition, Ms. Frangou is Navios Holdings' Chairwoman and Chief Executive Officer, Ms. Papaefthymiou is Navios Holdings' Executive Vice President Legal and Mr. Achniotis is Navios Holdings' Chief Financial Officer. Includes 12,750 common units underlying vested options.

(2) Each director, executive officer and key employee beneficially owns less than one percent of the outstanding common units, other than Angeliki Frangou.

Item 7. Major Unitholders and Related Party Transaction

A. Major Unitholders

The following table sets forth the beneficial ownership as of April 1, 2022, 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 31, 2022 (60 days after April 1, 2022) 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 30,197,087 common units. There are also 622,555 general partner units outstanding which are not included in the ownership table below. The general partner 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 partner units. For more information on our general partner, please read "Item 7. B. Unitholders and Related Party Transactions".

	Common Units Beneficially Owned	
	Number	Percentage
Name of Beneficial Owner		
Navios Holdings[(1)(2)]	3,183,199	10.5%
Pilgrim Global ICAW[(3)]	1,883,084	6.2%
Angeliki Frangou[(4)]	1,550,632	5.1%

(1) The number of common units beneficially owned is based on the information disclosed on the Schedule 13D/A filed with the SEC on October 26, 2021 and includes 216,054 shares directly owned by Navios Holdings and over which it has sole voting and dispositive power and 2,967,145 shares directly owned by wholly-owned subsidiaries of Navios Holdings, over which Navios Holdings has shared voting and dispositive power.

(2) Navios Holdings is a public company controlled by its board of directors, which consists of the following eight members: Angeliki Frangou, Vasiliki Papaefthymiou, Shunji Sasada, Spyridon Magoulas, John Stratakis, George Malanga, Efstathios Loizos and Michael Pearson.

(3) The number of common units beneficially owned is based on the information disclosed on the Schedule 13G filed with the SEC on February 11, 2022.

(4) The number of common units beneficially owned is based on the information disclosed on the Schedule 13D filed with the SEC on October 26, 2021.

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 April 1, 2022, we had at least 42 common unit holders of record, 10 of which were located in the United States and held an aggregate of 25,778,769 of our common units, representing approximately 85% 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 25,775,948 of our common units as of that date. Accordingly, we believe that the shares 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

As of December 31, 2021, there were 30,197,087 outstanding common units and all 622,555 outstanding general partnership units. Navios Holdings currently beneficially owns 3,183,199 common units, which represents a 10.3% ownership interest in us based on the currently outstanding common and general partnership units of 30,819,642. In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interests in Navios Partners to an entity affiliated with the Company's Chairwoman and Chief Executive Officer. Thereafter, Olympos Maritime Ltd., an entity affiliated with our Chairwoman and Chief Executive Officer, holds the general partner interest which represents a 2.0% ownership interest in us based on all outstanding common units and general partner units. Our general partner's ability, to control the appointment of three of the seven members of our board of directors and to approve certain significant actions we may take, means that our Chairwoman and Chief Executive Officer, together with her affiliates, has the ability to exercise influence regarding our management.

Navios Europe I

Navios Holdings, Navios Acquisition and Navios Partners had made available to Navios Europe I revolving loans up to $24.1 million to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the amount of funds available under the Navios Revolving Loans I was increased by $30.0 million. In February 2019, Navios Partners was required to fund the amount of $4.0 million under Navios Europe I's Revolving Loan (see Note 20 — Investment in Affiliates to our consolidated financial statements, included elsewhere in this Annual Report).

On November 22, 2019, an agreement was reached to liquidate Navios Europe I before its original expiring date. On November 26, 2019 a Share Purchase Agreement was entered between Navios Europe Inc. and Navios Maritime Operating LLC (a wholly owned subsidiary of Navios Partners). The transaction was completed on December 13, 2019.

As a result of the Europe I liquidation, Navios Partners acquired 100% of the stock of the five container vessels owning companies of Navios Europe I with a fair value of $56.1 million, and working capital balances of $14.4 million including cash at banks of $12.9 million, in satisfaction of its receivable balances in the amount of (i) approximately $19.0 million representing the Revolving Loan, term loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions "Investments in affiliates", "Due/to from related parties" and "Loans receivable from affiliates"; and (ii) approximately $34.2 million representing the previously transferred rights of Navios Holdings to the Navios Europe I's term loans and Navios Revolving Loans I (including the respective accrued receivable interest), of which $4.8 million was presented under "Notes receivable from affiliates" and $29.4 million presented contra equity. Furthermore, Navios Partners has assumed $17.2 million of Navios Europe I senior loan.

Following the liquidation of Navios Europe I, there was no balance due from Navios Europe I as of each of December 31, 2021 and 2020.

Navios Europe II

Navios Holdings, Navios Acquisition and Navios Partners previously made available to Navios Europe II revolving loans of up to $43.5 million to fund working capital requirements (collectively, the "Navios Revolving Loans II"). In March 2017, the availability under the Navios Revolving Loans II was increased by $14.0 million (see Note 20 — Investment in Affiliates to our consolidated financial statements, included elsewhere in this Annual Report).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for $5.0 million. Navios Europe II owned seven container vessels and seven dry bulk vessels. Navios Partners had a net receivable of approximately $17.3 million from Navios Europe II.

As of March 31, 2020, the decline in the fair value of the investment was considered as other-than-temporary and, therefore, an aggregate loss of $6.9 million was recognized and included in the accompanying Consolidated Statements of Operations for the year ended December 31, 2020, as "Impairment of receivable in affiliated company". The fair value of the Company's investment was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiring date. The transaction was completed on June 29, 2020.

As a result of the Europe II liquidation, Navios Partners acquired 100% of the stock of five dry bulk vessels owing companies of Navios Europe II with a fair value of $56.1 million and working capital balances of $(2.7) million. The acquisition was funded through a new credit facility (Note 11—Borrowings) and cash on hand for total of $36.1 million and the satisfaction of its receivable balances in the amount of approximately $17.3 million representing the Revolving Loan, term loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions "Amounts due from related parties" and "Loans receivable from affiliates".

Following the liquidation of Navios Europe II, there was no balance due from Navios Europe II as of December 31, 2021 and December 31, 2020.

Navios Containers

As of December 31, 2020 and 2019, Navios Partners held 11,592,276 common units, representing an ownership interest in Navios Containers of 35.7% and 33.5% respectively. Based on the Company's evaluation of the duration and magnitude of the fair value decline for approximately twelve months as of December 31, 2019, the Company concluded that the decline in the fair value of its investment below its carrying value was not temporary and therefore, an OTTI loss of $42.6 million was recognized as of December 31, 2019 presented under the caption “Equity in net Earnings of affiliates”, in the Consolidated Statement of Operations, being the difference between the fair value of $25.0 million and the carrying value of the investment of $67.6 million. Total pre-OTTI equity method investment income of $1.1 million and $2.5 million was recognized for the years ended December 31, 2020 and 2019, respectively.

The fair value of Navios Partners' equity investment in Navios Containers was based on unadjusted quoted prices in active markets for Navios Containers' common units. The fair value of Navios Partners' equity investment in Navios Containers as at December 31, 2020 was $47.5 million compared with its carrying value of $26.2 million.

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company would acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company. The NMCI Merger was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The General Partner of Navios Containers had consented to the NMCI Merger, and the Company voted the Navios Containers’ common units it holds in favor of the Transaction. The Transaction was completed on March 31, 2021. Pursuant to the NMCI Merger, Navios Partners acquired all of the publicly held common units of Navios Containers through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers common unit (see Note 3 – Acquisition of Navios Containers and Navios Acquisition to our consolidated financial statements, included elsewhere in this Annual Report). Following the exercise of the 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

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 NNA Merger and as a result thereof, Navios Acquisition became a wholly-owned subsidiary of Navios Partners. Pursuant to the terms of the NNA merger agreement, each outstanding common unit 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 partner units, resulting in net proceeds of $1.9 million (see Note 3 – Acquisition of Navios Containers and Navios Acquisition to our consolidated financial statements, included elsewhere in this Annual Report).

Registration Rights Agreements

On February 4, 2015, we completed a private placement to Navios Holdings of 74,703 common units and 1,526 general partner 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;

(6) 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;

(7) 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

(8) 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.

On June 9, 2009, Navios Holdings relieved Navios Partners from its obligation to purchase the Capesize vessel the Navios Bonavis upon its delivery to Navios Holdings. Navios Holdings was released from the Omnibus Agreement restrictions for two years until June 29, 2011 in connection with acquiring vessels from third parties (but not from the requirement to offer to sell to Navios Partners qualifying vessels in Navios Holdings' existing fleet). Pursuant to our release from the Omnibus Agreement restrictions, in June 2009, we waived our rights of first refusal with Navios Acquisition with respect to an acquisition opportunity until the earlier of: (a) the consummation of a business combination by Navios Acquisition; (b) the liquidation of Navios Acquisition; and (c) June 2011.

In addition, concurrently with the successful consummation of the initial business combination by Navios Acquisition, on May 28, 2010, because of the overlap between Navios Acquisition, Navios Holdings and us, with respect to possible acquisitions under the terms of our Omnibus Agreement, we entered into a business opportunity right of first refusal agreement which provides the types of business opportunities in the marine transportation and logistics industries, we, Navios Holdings and Navios Acquisition must share with each other.

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.

The Acquisition Omnibus Agreement

Navios Partners entered into an omnibus agreement with Navios Acquisition and Navios Holdings (the "Acquisition Omnibus Agreement") in connection with the closing of Navios Acquisition's initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containerships and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

The Navios Midstream Omnibus Agreement

In connection with the Navios Midstream initial public offering and effective November 18, 2014, Navios Partners entered into the Omnibus Agreement with Navios Midstream, Navios Acquisition and Navios Holdings pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

The Navios Containers Omnibus Agreement

In connection with the Navios Containers private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Partners entered into an omnibus agreement with Navios Containers, Navios Holdings, Navios Acquisition and Navios Midstream, pursuant to which Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream have granted to Navios Containers a right of first refusal over any containerships to be sold or acquired in the future. The omnibus agreement contains significant exceptions that will allow Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream to compete with Navios Containers under specified circumstances.

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).

In November 2017, Navios Partners extended the duration of its existing Management Agreement with the Manager until December 31, 2022 and the fixed rate for ship management services of its owned fleet through December 31, 2019, effective from January 1, 2018. The vessel operating expenses, excluding drydocking expenses were: (a) $4,225 daily rate per Ultra-Handymax vessel; (b) $4,325 daily rate per Panamax vessel; (c) $5,250 daily rate per Capesize vessel; (d) $6,700 daily rate per Container vessel of TEU 6,800; (e) $7,400 daily rate per Container vessel of more than TEU 8,000; and (f) $8,750 daily rate per very large Containers vessel of more than TEU 13,000. Drydocking expenses under this agreement are reimbursed by Navios Partners at cost at occurrence.

In August 2019, Navios Partners , Navios Containers and Navios Acquisition extended the duration of their existing Management Agreements with the Managers until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party, and provides for payment of a termination fee equal to the fees charged for the full calendar year preceding the termination date by Navios Partners, in the event the Management Agreements are terminated on or before December 31, 2024.

Following a subsequent amendment to the Management Agreement on December 13, 2019, the vessel operating expenses agreed were: (a) Until December 31, 2019, a fixed daily fee of (i) $4,325 per owned Panamax Vessel, (ii) $4,225 per Ultra-Handymax Vessel, (iii) $5,250 per owned Capesize Vessel, (iv) $6,700 per owned 6,800TEU container vessel, (v) $6,100 per owned container vessel of 1,000TEU to 3,400TEU, payable on the last day of each month; (b) commencing from January 1, 2020, a fixed daily fee of (i) $4,450 per owned Panamax Vessel, (ii) $4,350 per Ultra-Handymax Vessel, (iii) $5,410 per owned Capesize Vessel, (iv) $6,900 per owned 6,800TEU Container Vessel, (v) $6,100 per owned container vessel of 1,000TEU to 3,400TEU, payable on the last day of each month for two years (months one to twenty-four).

The Management Agreements also provide for a technical and commercial management daily fee of $50 per vessel and an annual increase of 3% of the fixed daily fee per vessel, unless otherwise agreed, commencing from January 1, 2022. Drydocking expenses are reimbursed at cost for all vessels.

Following the completion of the NMCI Merger, the fleet of Navios Containers is included in Navios Partners' owned fleet (see Note 3 – Acquisition of Navios Containers and Navios Acquisition to our consolidated financial statements, included elsewhere in this Annual Report). As per the terms of the Navios Containers management agreement with the Manager ("the NMCI Management Agreement"), vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) $6,215 daily rate per Containership of TEU 3,000 up to 4,999, respectively; (b) $7,780 daily rate per Containership of TEU 8,000 up to 9,999, respectively; and (c) $8,270 daily rate per Containership of TEU 10,000 up to 11,999, respectively. The agreement also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet (see Note 3 – Acquisition of Navios Containers and Navios Acquisition to our consolidated financial statements, included elsewhere in this Annual Report). As per the Navios Acquisition management agreement with Tankers Manager (the "NNA Management Agreement"), vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6,825 per day per MR2 and MR1 product tanker and chemical tanker vessel; (b) $7,225 per day per LR1 product tanker vessel; and (c) $9,650 per day per VLCC. The agreement also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

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.

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.

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 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.

General and Administrative Expenses

Total general and administrative expenses charged by the Managers for each of the years ended December 31, 2021, 2020 and 2019, amounted to $28.8 million, $13.7 million and $10.4 million, respectively.

Vessel Operating Expenses

Pursuant to the Management Agreements the Managers provide commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) $4,450 daily per Panamax Vessel; (b) $4,350 daily per Ultra-Handymax Vessel; (c) $5,410 daily per Capesize Vessel; (d) $6,100 daily per owned container vessel of 1,000TEU to 3,400TEU; (e) $6,215 daily rate per Containership of TEU 3,000 up to 4,999; (f) $6,900 daily per 6,800 TEU Containership; (g) $7,780 daily rate per Containership of TEU 8,000 up to 9,999; (h) $8,270 daily rate per Containership of TEU 10,000 up to 11,999; (i) $6,825 per day per MR2 and MR1 product tanker and chemical tanker vessel; (j) $7,225 per day per LR1 product tanker vessel; and (k) $9,650 per day per VLCC. The agreements also provides for a technical and commercial management fee of $50 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under the Company's Management Agreements, amounted to $11.4 million and $3.4 million, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the Consolidated Statements of Cash Flows. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $5.8 million are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $2.0 million are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Vessel operating expenses for the years ended December 31, 2021, 2020 and 2019, amounted to $191.4 million, $93.7 million and $68.2 million, respectively.

Please read "Item 7. B. Unitholders and Related Party Transactions. Management Agreements" for a full description of the management fees for the years ended December 31, 2021, 2020 and 2019.

Balance due from/(to) related parties: Balance due from related parties (both short and long term) as of December 31, 2021 and December 31, 2020 amounted to $35.2 million and $5.0 million, respectively, of which the current receivable was $0 and $5.0 million, respectively and the long-term receivable was $35.2 million, and $0, respectively. The balance as of December 31, 2020, consisted of the receivable from the Navios Holdings Guarantee of $5.0 million. Balance due to related parties, short-term as of December 31, 2021 and December 31, 2020 amounted to $64.2 million and $36.0 million, respectively, and mainly consisted of payables to the Managers. The balances mainly consisted of administrative fees, 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 Agreement.

Other

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20.0 million. In October 2020, Navios Holdings paid an amount of $5.0 million to Navios Partners. In April 2021, Navios Holdings paid an amount of $5.0 million to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to $0 million and $5.0 million. The guarantee claim receivable presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets as of December 31, 2020.

On March 31, 2021, Navios Partners completed the NMCI Merger. 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 $342.7 million over the total purchase price consideration of $298.6 million, resulted in a bargain purchase gain of $44.1 million. The transaction resulted in a bargain purchase gain as a result of the share price of Navios Containers trading at a discount to their net asset value ("NAV"). 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.

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 NNA Merger 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 $211.6 million over the fair value of the consideration transferred of $150.0 million and the fair value of the noncontrolling interest of $57.6 million, resulted in a bargain gain upon obtaining control of $4.0 million.

The fair value of the consideration of $150.0 million 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).

General partner and Navios Holdings: In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interest in Navios Partners to N Shipmanagement Acquisition Corp. and related entities, affiliated with Navios Holdings' Chairwoman and Chief Executive Officer, Angeliki Frangou.

As of December 31, 2021, there were outstanding 30,197,087 common units and 622,555 general partnership units. Navios Holdings held a 10.3% ownership interest in Navios Partners, represented by 3,183,199 common units. Olympos Maritime Ltd. held an ownership interest of 2.0% represented by all 622,555 outstanding general partner units.

Acquisition of vessels:

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 $30.0 million.

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 $58.0 million.

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 $28.6 million (including $0.1 million 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 $55.5 million.

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, from Navios Holdings, for an acquisition cost of $39.3 million (including $0.1 million capitalized expenses), including working capital balances of $(5.8) million.

2020

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51.0 million, including working capital balances of $(4,4) million. The acquisition was funded through a new credit facility of $33.0 million (see Note 11 — Borrowings to our consolidated financial statements, included elsewhere in this Annual Report) and the balance of $13.6 million seller's credit by Navios Holdings was repaid on October 2, 2020, presented under the caption "Payable to affiliated company" in the Consolidated Statements of Cash Flows.

2019

On November 26, 2019, Navios Partners entered into a share purchase agreement for the acquisition of five containerships, following the liquidation of Navios Europe I. The vessels were acquired on December 13, 2019 (see Note 7 — Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).

On November 25, 2019, Navios Partners entered into a share purchase agreement for the acquisition of three Panamax and one Ultra-Handymax drybulk vessels from an entity affiliated with its Chaiworman and CEO for $37.0 million (plus working capital adjustment) in a transaction approved by the Conflicts Committee of the Board of Directors of Navios Partners. The vessels were acquired on December 16, 2019 (see Note 7 — Vessels, net to our consolidated financial statements, included elsewhere in this Annual Report).

Navios Acquisition Credit Facility: On August 24, 2021, Navios Partners and Navios Acquisition entered into a loan agreement under which Navios Partners agreed to make available to Navios Acquisition a working capital facility of up to $45.0 million. As of the date hereof, the full amount of the facility has been drawn. The full amounts borrowed, including accrued and unpaid interest are due and payable on the date that is one year following the date hereof. The facility bears interest at the rate of 11.50% per annum. As of December 31, 2021, the outstanding balance of $45.0 million was eliminated upon consolidation.

Loan payable to affiliated company: On March 19, 2021, Navios Acquisition entered into a secured loan agreement with a subsidiary of N Shipmanagement Acquisition Corp. ("NSM"), an entity affiliated with our Chairwoman and Chief Executive Officer, for a loan of up to $100.0 million to be used for general corporate purposes (the "NSM Loan Agreement"). The loan would be repayable in two years and bears interest at a rate of 11% per annum, payable quarterly. Navios Acquisition may elect to defer all scheduled capital and interest payments, in which case the applicable interest rate is 12.5% per annum.

In August 2021, Navios Acquisition entered into a supplemental agreement (the "Supplemental Loan Agreement") to amend the NSM Loan Agreement. The Supplemental Loan Agreement provided for: (i) the issuance of 8,823,529 newly-issued shares of common stock of Navios Acquisition in settlement of $30.0 million of the outstanding balance of the NSM Loan Agreement; and (ii) the repayment of $35.0 million of the outstanding balance of the NSM Loan Agreement in cash as of the date of the Supplemental Loan Agreement and the repayment in cash on January 7, 2022 of the remainder of the outstanding balance of the NSM Loan Agreement, of approximately $33.1 million.

On December 23, 2021, the outstanding amount of $33.1 million was repaid. As of December 31, 2021, there was no outstanding balance of the NSM Loan Agreement. Upon completion of the NNA Merger, the newly-issued shares of common stock of Navios Acquisition were converted into common units of Navios Partners on the same terms as is applicable to other outstanding shares of common stock of Navios Acquisition.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements: See Item 18.

Legal Proceedings

On March 13, 2020, two purported holders of the Navios Conainers's common units commenced a lawsuit in the United States District Court for the Southern District of New York captioned The Mangrove Partners Master Fund, Ltd. et al v. Navios Containers, Case No. 1:20-cv-02290-LJL. In the suit, the plaintiffs allege that Navios Containers breached its' limited partnership agreement and the Marshall Islands Limited Partnership Act, in each case based on an alleged refusal by Navios Containers to provide to the plaintiffs certain non-public books and records of Navios Containers. On July 20, 2020, the plaintiffs amended their complaint to add Navios Containers' CEO as a named defendant, and added two additional causes of actions; one for alleged violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and one for common law fraud, and the plaintiffs sought, among other things, damages, fees, expenses, rescission, and an order requiring Navios Containers to furnish the requested records to the plaintiffs. On September 25, 2020, the named defendants moved to dismiss the amended complaint, which resulted in plaintiffs filing a second amended complaint that further added two additional causes of actions (one for fraudulent inducement and one for negligent misrepresentation) and sought the same relief as requested in the first amended complaint. The named defendants moved to dismiss the second amended complaint on January 15, 2021, and briefing was completed on March 2, 2021. On July 13, 2021, prior to any ruling on the motion to dismiss, the parties filed with the court a stipulation of dismissal with prejudice pursuant to a confidential settlement, thereby concluding the matter.

On August 31, 2016, Hanjin Shipping Co. ("Hanjin") filed for rehabilitation. We had two Capesize vessels chartered to Hanjin at a net rate of $29,356 per day until December 2020. In September 2016, both vessels were redelivered to our commercial management and were rechartered to third parties. We had filed claims to the Seoul Central District Court for the lost revenues in accordance with the rehabilitation process. Rehabilitation proceedings were cancelled on February 2, 2017 and Hanjin entered into liquidation on February 17, 2017. Our claims were registered in the rehabilitation proceedings on October 24, 2016 and would be assessed during the bankruptcy proceedings. In October 2020, we were advised that the bankruptcy claim regarding vessel Navios Buena Ventura was dismissed by the bankruptcy Court. The relevant court is still assessing the claim regarding the Navios Luz. We have fully provided for these amounts in our books (see Note 2(f) — Summary of Significant Accounting Policies to our consolidated financial statements, included elsewhere in this Annual Report).

We are not involved in any other 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. Although during the subordination period, with certain exceptions, our partnership agreement could not be amended without the approval of non-affiliated common unitholders, our partnership agreement can be amended with the approval of a majority of the outstanding common units after the subordination period has ended. Upon the closing of the IPO, Navios Holdings did not own any of our outstanding common units and owned 100.0% of our outstanding subordinated units.
- 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

There is no guarantee that we will pay the quarterly distribution on the common units in any quarter. The amount of distributions paid under our policy and the decision to make any distribution is determined by our 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. We are prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under our existing credit facilities.

Quarterly distributions were paid by the Company through September 2015. For the quarter ended December 31, 2015, the Company's board of directors determined to suspend payment of the Company's quarterly distributions 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.

In January 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2018 of $0.30 per unit. The distribution was paid on February 14, 2019 to all unitholders of common and general partner units of record as of February 11, 2019. The aggregate amount of the declared distribution was $3.5 million.

In April 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2019 of $0.30 per unit. The distribution was paid on May 14, 2019 to all unitholders of common and general partner units of record as of May 10, 2019. The aggregate amount of the declared distribution was $3.4 million.

In July 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2019 of $0.30 per unit. The distribution was paid on August 9, 2019 to all unitholders of common and general partner units of record as of August 6, 2019. The aggregate amount of the declared distribution was $3.4 million.

In October 2019, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2019 of $0.30 per unit. The distribution was payable on November 14, 2019 to all unitholders of common and general partner units of record as of November 7, 2019. The aggregate amount of the declared distribution was $3.4 million.

In January 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2019 of $0.30 per unit. The distribution was payable on February 13, 2020 to all unitholders of common and general partner units of record as of February 11, 2020. The aggregate amount of the declared distribution was $3.4 million.

In April 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2020 of $0.30 per unit. The distribution was paid on May 14, 2020 to all unitholders of common units and general partner units of record as of May 11, 2020. The aggregate amount of the declared distribution was $3.4 million.

In July 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2020 of $0.05 per unit. The distribution was paid on August 13, 2020 to all unitholders of common units and general partner units of record as of August 10, 2020. The aggregate amount of the declared distribution was $0.6 million.

In October 2020, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2020 of $0.05 per unit. The distribution was paid on November 13, 2020 to all unitholders of common units and general partner units of record as of November 9, 2020. The aggregate amount of the declared distribution was $0.6 million.

In January 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2020 of $0.05 per unit. The distribution was paid on February 12, 2021 to all unitholders of common units and general partner units of record as of February 9, 2021. The aggregate amount of the declared distribution was $0.6 million.

In April 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2021 of $0.05 per unit. The distribution was paid on May 14, 2021 to all unitholders of common units and general partner units of record as of May 11, 2021. The aggregate amount of the declared distribution was $1.1 million.

In July 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2021 of $0.05 per unit. The distribution was paid on August 12, 2021 to all unitholders of common units and general partner units of record as of August 9, 2021. The aggregate amount of the declared distribution was $1.4 million.

In October 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2021 of $0.05 per unit. The distribution was paid on November 12, 2021 to all unitholders of common units and general partner units of record as of November 8, 2021. The aggregate amount of the declared distribution was $1.5 million.

In January 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2021 of $0.05 per unit. The distribution was paid on February 11, 2022 to all unitholders of common units and general partner units of record as of February 9, 2022. The aggregate amount of the declared distribution was $1.5 million.

During the years ended December 31, 2021, 2020 and 2019 the aggregate amount of cash distribution paid was $4.6 million, $7.9 million and $13.6 million, respectively.

Incentive Distribution Rights

The following description of our incentive distribution rights reflects such rights and the indicated levels are achieved, of which there can be no assurance. Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash from Operating Surplus after the minimum quarterly distribution and the target distribution levels have been achieved. Navios GP L.L.C. currently holds the incentive distribution rights, but may transfer these rights, provided the transferee agrees to be bound by the terms if the partnership agreement. As of December 31, 2017, the holder of incentive distribution rights may transfer any or all of its Incentive Distribution Rights without unitholder approval.

The following table illustrates the percentage allocations of the additional available cash from Operating Surplus among the unitholders our general partner and the holder of our incentive distribution rights up to the various target distribution levels. The amounts set forth under "Marginal Percentage Interest in Distributions" are the percentage interests of the unitholders in any available cash from Operating Surplus we distribute up to and including the corresponding amount in the column "Total Quarterly Distribution Target Amount," until available cash from Operating Surplus we distribute reaches the next target distribution level, if any. The percentage interests shown for the unitholders for the minimum quarterly distribution are also applicable to quarterly distribution amounts that are less than the minimum quarterly distribution. The percentage interests shown for our general partner assume that our general partner maintains its 2.0% ownership interest.

		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 %

In August 2019, Navios Holdings sold the general partnership interests in the Company to N Shipmanagement Acquisition Corp. and related entities, an entity affiliated with the Company's Chairwoman and Chief Executive Officer. The incentive distribution rights remained with Navios GP L.L.C.

B. Significant Changes

No significant changes have occurred since the date of the annual financial statements included herein.

Item 9. The Offer and Listing

Our common units are traded on the New York Stock Exchange (or "NYSE") under the symbol "NMM".

On March 13, 2019, we were notified by the NYSE that we were no longer in compliance with the NYSE's continued listing standards because the average closing price of our common stock over a consecutive 30 trading-day period was less than $1.00 per unit. We responded to the NYSE confirming our intent to cure this deficiency within the prescribed timeframe set out in the NYSE's Listed Company Manual. Following a 1-for-15 reverse stock split of the issued and outstanding common units and general partner units, effective on May 21, 2019, we cured this deficiency within the prescribed timeframe set out in the NYSE's Listed Company Manual.

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: "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.
- Navios Acquisition Omnibus Agreement, dated as of May 28, 2010, among Navios Partners, Navios Acquisition and Navios Holdings. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.
- Navios Midstream Omnibus Agreement, dated as of November 18, 2014, among Navios Holdings, Navios Maritime Midstream Partners L.P., Navios Maritime Midstream GP LLC, Navios Maritime Midstream Operating LLC., Navios Maritime Acquisition Corporation and Navios Partners. Please read "Item 7. Major Unitholders and Related Party Transactions" for a summary of certain contract terms.
- Navios Containers Omnibus Agreement, effective as of June 7, 2017, among Navios Maritime Acquisition Corporation, Navios Maritime Holdings Inc., Navios Maritime Partners L.P., Navios Maritime Midstream Partners L.P., Navios Maritime Containers Inc. and Navios Partners Containers Finance Inc.
- 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.
- Loan Agreement, dated March 26, 2018, by and among Goldie Services Company and Seymour Trading Limited; Nordea Bank AB (Publ), Filial I. Norge Skandinaviska Enskilda Banken AB (Publ) and NIBC Bank N.V.
- Loan Agreement for a $44.0 million term loan, dated July 31, 2018, among Navios Partners and DVB Bank S.E.
- Loan Agreement, dated December 28, 2018, relating to a $28.5 million term loan facility, by and among Velvet Shipping Corporation, Golem Navigation Limited and Coasters Ventures Ltd., as joint and several borrowers; the Banks and Financial Institutions listed in Schedule 1 therein, as Lenders; NIBC Bank N.V., as Mandated Lead Arranger; and NIBC Bank N.V., as Agent and Security Trustee.
- Facility Agreement, dated February 12, 2019, by and among Kohylia ShipManagement S.A., Floral Marine Ltd., Ianthe Maritime S.A., and Customized Development S.A., as joint and several Borrowers; guaranteed by Navios Maritime Partners L.P., as Guarantor; arranged by DVB Bank SE, as Arranger; with DVB Bank SE, acting as Facility Agent; DVB Bank SE, acting as Security Agent; and DVB Bank SE, acting as Account Bank.
- Facility Agreement, dated April 5, 2019, by and among Joy Shipping Corporation, Avery Shipping Corporation, DNB Bank ASA and the Bank and Insitutions listed therein.
- Deed of Accession, Amendment, Release and Restatement, dated April 9, 2019, relating to the Loan Agreement, dated June 26, 2017, by and among Casual Shipholding Co., Wave Shipping Corp. and Ammos Shipping Corp., Navios Maritime Partners L.P., Navios Maritime Operating L.L.C., Navios ShipManagement Inc., and BNP Paribas and BNP Paribas (Suisse) SA.

- Facility Agreement, dated July 4, 2019, by and among Chilali Corp., Surf Maritime Co., Pandora Marine Inc., Micaela Shipping Corporation and Credit Agricole Corporate Investment Bank
- Facility Agreement, dated September 26, 2019, by and among Alegria Shipping Corporation, Andromeda Shiptrade Limited, Aurora Shipping Enterprises Ltd., Beryl Shipping Corporation, Cheryl Shipping Corporation, Christal Shipping Corporation, Hyperion Enterprises Inc., Kymata Shipping Co., Orbiter Shipping Corp., Pearl Shipping Corporation, Rubina Shipping Corporation, Seymour Trading Limited, Topaz Shipping Corporation, Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee, and the banks and financial institutions listed therein.
- Facility Agreement, dated December 12, 2019, by and among Oceanus Shipping Corporation, Cronus Shipping Corporation, Leto Shipping Corporation, Dionysus Shipping Corporation, Prometheus Shipping Corporation, and ABN Amro Bank N.V. as agent and security trustee, and the Banks and Institutions listed therein.
- Supplemental Agreement, dated July 2, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein.
- Second Supplemental Agreement, dated September 30, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein.
- Form of Amended and restated Facility Agreement, dated December 16, 2019, by and among Camelia Shipping Inc., Amaryllis Shipping Inc., Azalea Shipping Inc., Anthos Shipping Inc., and Dory Funding DAC as agent and security agent, and the financial institutions listed therein.
- Facility Agreement, dated June 25, 2020, by and among Cronus Shipping Corporation, Dionysus Shipping Corporation, Oceanus Shipping Corporation and Prometheus Shipping Corporation, and Hellenic Bank Public Company Limited as lender, arranger, agent, and security trustee.
- Facility Agreement, dated June 26, 2020, by and among Navios Partners and ABN Amro Bank N.V. as Agent and as Security Trustee and the financial institutions listed therein.
- Facility Agreement, dated September 28, 2020, by and among Emery Shipping Corporation and Rondine Management Corp., and Crédit Agricole Corporate and Investment Bank as lender, arranger, agent, and security trustee.
- Facility Agreement, for a term loan facility, dated March 23,2021, by and among Emery Shipping Corporation, Mandora Shipping Ltd., Rondine Management Corp. and Solagne Shipping Ltd. as borrowers and Credit Agricole Corporate and Investment Bank as lender, arranger, agent and account bank trustee.• Facility Agreement, for a term loan facility, dated April 28, 2021, by and among Buff Shipping Corporation, Brandeis Shipping Corporation, Ammos Shipping Corp. and Wave Shipping Corp. as borrowers and BNP Paribas as lender, agent and security trustee.
- Facility Agreement, dated May 11, 2021, by and among Rubina Shipping Corporation, Topaz Shipping Corporation, Beryl Shipping Corporation, Cheryl Shipping Corporation, Christal Shipping Corporation, Kymata Shipping Co., Pearl Shipping Corporation, Andromeda Shiptrade Limited, Alegria Shipping Corporation, Aurora Shipping Enterprises Ltd., Hyperion Enterprises Inc., Orbiter Shipping Corp., Camelia Shipping Inc. and Balder Maritime Ltd. as borrowers and Hamburg Commercial Bank AG as lender, agent, mandated lead arranger and security trustee, and the banks and financial institutions listed therein.
- Facility Agreement, for a term loan facility, dated June 17, 2021, by and among Anthos Shipping Inc., Azalea Shipping Inc., Fandango Shipping Corporation, Flavescent Shipping Corporation, Sunstone Shipping Corporation and Zaffre Shipping Coproration as borrowers and National Bank of Greece as lender.
- Facility Agreement, for a term loan facility, dated August 19, 2021, by and among Aramis Navigation Inc. 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 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 Ocean Dawn Shipping Limited, wholly owned subsidiary of Minsheng Financial Leasing Co. Ltd., Pingel Navigation Limited, Ebba Navigation Limited, Clan Navigation Limited, Olympia II Navigation Limited and Enplo Shipping Limited, dated May 25, 2018, providing for the sale and leaseback of the Navios Delight, Navios Destiny, Navios Devotion, Navios Domino and Navios Verde, respectively.
- Bareboat Charters and Memoranda of Agreement by and between Ocean Wood Tang Shipping Limited, wholly owned subsidiary of Minsheng Financial Leasing Co. Ltd., and Bertyl Ventures Co., Isolde Shipping Inc., Rodman Maritime Corp., Silvanus Marine Company, Morven Chartering Inc. and Velour Management Corp., dated May 25, 2018, providing for the sale and leaseback of the Navios Azure, Navios Indigo, Navios Spring, Navios Summer, Matson Oahu (ex-Navios Verano) and Navios Vermillion, 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.

- Deed of Accession, Amendment, Release and Restatement relating to a Facility Agreement, for a term loan facility, dated December 03, 2018, by and among Navios Maritime Containers LP as released borrower, Navios Maritime Partners L.P. as new borrower, ABN Amro Bank N.V as lenders, agent and security trustee.
- Loan Agreement, dated June 26, 2019, of up to $54.0 million, among Theros Ventures Limited, Legato Shipholding Inc., Peran Maritime Inc., Zoner Shiptrade S.A., Crayon Shipping Ltd, Inastros Maritime Corp. and Jasmer Shipholding Ltd, as borrowers, BNP Paribas, as lender, as agent and security trustee.
- Loan Agreement, dated June 25, 2020, of up to $20.8 million, among Aphrodite Shipping Corporation and Dione Shipping Corporation, as borrowers, Eurobank S.A., as agent, arranger, and security agent, and the Banks and Financial Institutions listed therein.
- 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 Memorandum of Agreement, dated March 22, 2019, for the sale and leaseback transaction among Great Syros Limited, Great Folegandros Limited, Great Skiathos Limited, Great Serifos Limited, and Great Sifnos Limited, being subsidiaries of AVIC International Leasing Co., Ltd., and Syros Shipping Corporation, Folegandros Shipping Corporation, Skiathos Shipping Corporation, Serifos Shipping Corporation, and Sifnos Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Alderamin, Nave Andromeda, Nave Capella, Nave Estella, and Nave Titan, respectively.
- Bareboat Charter and Memorandum of Agreement, dated September 26, 2019, for the sale and leaseback transaction among Great Thasos Limited, Great Kithira Limited, and Great Antipsara Limited, being subsidiaries of AVIC International Leasing Co., Ltd., and Thasos Shipping Corporation, Kithira Shipping Corporation, and Antipsara Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Equinox, Nave Orbit, and Nave Velocity, 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 October 16, 2019, for the sale and leaseback transaction among Xiang T103 HK International Ship Lease Co., Limited, Xiang T104 HK International Ship Lease Co., Limited, Xiang T105 HK International Ship Lease Co., Xiang T106 HK International Ship Lease Co., Limited, Xiang T107 HK International Ship Lease Co., Limited, Limited, and Xiang T108 HK International Ship Lease Co., Limited, being subsidiaries of Bank of Communications Financial Leasing Company, and Skopelos Shipping Corporation, Ios Shipping Corporation, Antikithira Shipping Corporation, Iraklia Shipping Corporation, Limnos Shipping Corporation, and Thera Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Ariadne, Nave Cielo, Nave Equator, Bougainville, Nave Pyxis, and Nave Atropos, respectively.
- 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.

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, 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 of Holders

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 (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 "participation exemption" 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 passive foreign investment company (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 dividend 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 U.S. Individual 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 controlled foreign corporation (a "CFC") as of December 31, 2021, or at any time during 2021, 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. As of December 31, 2021, Navios Holdings beneficially owned 10.5% of our common units both directly and indirectly through wholly owned subsidiaries. Through downward attribution, U.S. subsidiaries of Navios Holdings are treated as constructive owners of these equity interests for purposes of determining whether we 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 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 were we to become a CFC. However, were we to become a CFC, any U.S. Holder who owns 10% or more of our equity (by vote or value), directly, indirectly, or constructively (but not through downward attribution), should be subject to U.S. federal income tax on its pro rata share of our so-called "subpart F" income and should be 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*). So, we believe that the income we earn from our time chartering activities should not be treated as subpart F income and thus no such U.S. Holder should be subject to U.S. federal income tax on such income, regardless of whether IRS's position that the Section 883 exemption does not apply to subpart F income is correct.

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, indirectly, or constructively, of the equity of Navios Partners should consult its own tax advisor regarding U.S. federal tax consequences that may result from Navios Partners 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 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 to 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 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.

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, 2021, the value of the U.S. dollar as compared to the Euro increased by approximately 8.3% compared with the respective value as of December 31, 2020.

Interest Rate Risk

Bank borrowings under our credit facilities bear interest at a rate based on a premium over U.S. LIBOR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the years ended December 31, 2021, 2020 and 2019, we paid interest on our outstanding debt at a weighted average interest rate of 4.1%, 4.5% and 6.7%, respectively. A 1% increase in LIBOR would have increased our interest expense for the years ended December 31, 2021, 2020 and 2019 by $7.9 million, $4.3 million and $4.4 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 year ended December 31, 2021, Singapore Marine represented approximately 14.5% of our total revenues. For the year ended December 31, 2020, HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of our total revenues. For the year ended December 31, 2019, HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of our total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20.0 million. In October 2020, Navios Holdings paid an amount of $5.0 million to Navios Partners. In April 2021, Navios Holdings paid an amount of $5.0 million to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to $0 and $5.0 million. The guarantee claim receivable is presented under the caption “Amounts due from related parties-short term” in the Consolidated Balance Sheets as of December 31, 2020.

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, 2021. 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, 2021.

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, 2021. 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, 2021, 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, Orthodoxia Zisimatou, 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 fiscal years 2021 and 2020 were Ernst & Young Hellas S.A. and PricewaterhouseCoopers S.A., respectively. The audit fees for each of the audit of the years ended December 31, 2021 and 2020 were $0.5 million and $0.3 million, respectively.

Audit-Related Fees

There were no audit-related fees billed in 2021 and 2020.

Tax Fees

There were no tax fees billed in 2021 and 2020.

Other Fees

There were no other fees billed in 2021 and 2020.

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 2021.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Units by the Issuer and Affiliated Purchasers

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50.0 million of the Company's common units over a two year period. Common unit repurchases were 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 were determined by Navios Partners' management based upon market conditions and other factors. Repurchases were made pursuant to a program adopted under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended. The program did not require any minimum repurchase or any specific number of common units and could have been suspended or reinstated at any time in Navios Partners' discretion and without notice. Repurchases were subject to restrictions under Navios Partners' credit facilities. As of December 31, 2021, since the commencement of the common unit repurchase program, Navios Partners repurchased and cancelled 312,952 common units, for a total cost of approximately $4.5 million. There were no repurchases during the year ended December 31, 2021, and the program expired in January 2021. The Company may in the future enact new repurchase programs if the Board of Directors deems it advisable for the Company.

Item 16F. Change in Registrant's Certifying Accountant

On April 23, 2021, we appointed Ernst & Young (Hellas) Certified Auditors-Accountants S.A. (“Ernst & Young”) as the Company’s independent auditor for the fiscal year ending December 31, 2021, and dismissed PricewaterhouseCoopers S.A. as our independent auditor.

Our appointment of Ernst & Young and dismissal of PricewaterhouseCoopers S.A. was approved by our audit committee.

The information required to be disclosed pursuant to this Item 16F was previously reported on Form 6-K, filed with the SEC on May 18, 2021.

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.

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, Independent Registered Public Accounting Firm, thereon is filed as part of this annual report on Pages F-1 through F-58.

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.*
1.4	Bylaws of Olympos Maritime Ltd.*
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 Loan Agreement, dated March 26, 2018, by and among Goldie Services Company and Seymour Trading Limited; Nordea Bank AB (Publ), Filial I. Norge Skandinaviska Enskilda Banken AB (Publ) and NIBC Bank N.V.(32)

4.14 Deed of Accession, Amendment, Release and Restatement, dated April 9, 2019, relating to the Loan Agreement, dated June 26, 2017, by and among Casual Shipholding Co., Wave Shipping Corp. and Ammos Shipping Corp., Navios Maritime Partners L.P., Navios Maritime Operating L.L.C., Navios ShipManagement Inc., and BNP Paribas and BNP Paribas (Suisse) SA(33)

4.15 Loan Agreement, dated December 28, 2018, relating to a $28.5 million term loan facility, by and among Velvet Shipping Corporation, Golem Navigation Limited, Coasters Ventures Ltd., the Banks and Financial Institutions listed in Schedule 1 therein, NIBC Bank N.V., and NIBC Bank N.V.(2)

4.16 Facility Agreement, dated February 12, 2019, by and among Kohylia ShipManagement S.A., Floral Marine Ltd., Ianthe Maritime S.A., Customized Development S.A., Navios Maritime Partners L.P., DVB Bank SE.(2)

4.17 Facility Agreement, dated April 5, 2019, by and among Joy Shipping Corporation, Avery Shipping Corporation and DNB Bank ASA[33]

4.18 Facility Agreement, dated July 04, 2019, by and among Chilali Corp., Surf Maritime Co., Pandora Marine Inc., Micaela Shipping Corporation and Credit Agricole Corporate Investment Bank[34]

4.19 Facility Agreement, dated September 26, 2019, by and among Alegria Shipping Corporation, Andromeda Shiptrade Limited, Aurora Shipping Enterprises ltd., Beryl Shipping Corporation, Cheryl Shipping Corporation, Christal Shipping Corporation, Hyperion Enterprises Inc., kymata Shipping Co., Orbiter Shipping Corp., Pearl Shipping Corporation, Rubina Shipping Corporation, Seymour Trading Limited, Topaz Shipping Corporation, Hamburg Commercial Bank AG as agent, mandated lead arranger and security trustee and the Banks and Institutions listed therein[35]

4.20 Facility Agreement, dated December 12, 2019, by and among Oceanus Shipping Corporation, Cronus Shipping Corporation, Leto Shipping Corporation, Dionysus Shipping Corporation, Prometheus Shipping Corporation, and ABN Amro Bank N.V. as agent and security trustee and the Banks and Institutions listed therein[36]

4.21 Form of Amended and Restated Facility Agreement, dated December 16, 2019, by Camelia Shipping Inc., Amaryllis Shipping Inc., Azalea Shipping Inc., Anthos Shipping Inc., and Dory Funding DAC as agent and security trustee and the Banks and Institutions listed therein[36]

4.22 Facility Agreement, dated June 25, 2020, by and among Cronus Shipping Corporation, Dionysus Shipping Corporation, Oceanus Shipping Corporation, and Prometheus Shipping Corporation, as borrowers, and Hellenic Bank Public Company Limited, as lender, arranger, agent, account bank and security trustee[37]

4.23 Second Supplemental Agreement in relation to a Facility Agreement dated June 25, 2020 (as amended), dated April 23, 2021, by and among, Cronus Shipping Corporation, Dionysus Shipping Corporation, Bole Shipping Corporation and Hellenic Bank Public Company Limited.[38]

4.24 Facility Agreement, dated June 26, 2020, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein[37]

4.25 Facility Agreement, dated September 28, 2020, by and among Emery Shipping Corporation and Rondine Management Corp., as borrowers, and Crédit Agricole Corporate and Investment Bank, as lender, arranger, agent, account bank and security trustee[37]

4.26 Supplemental Agreement, dated July 2, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein[37]

4.27 Second Supplemental Agreement, dated September 30, 2020, to Loan Agreement, dated December 12, 2019, by and among Navios Maritime Partners L.P., as borrower, ABN Amro Bank N.V., as agent and security trustee, and the banks and financial institutions listed therein[37]

4.28 Facility Agreement, for a term loan facility, dated March 23, 2021, by and among Emery Shipping Corporation, Mandora Shipping Ltd., Rondine Management Corp. and Solagne Shipping Ltd. as borrowers and Credit Agricole Corporate and Investment Bank as lender, arranger, agent and account bank trustee[39]

4.29 Loan Agreement, dated April 28, 2021, by and among Ammos Shipping Corp., Wave Shipping Corp., Brandeis Shipping Corporation, Buff Shipping Corporation, BNP Paribas and certain banks and financial institutions named therein.[38]

4.30 Loan Agreement, dated May 11, 2021, by and among Alegria Shipping Corporation, Andromeda Shiptrade Limited, Aurora Shipping Enterprises Ltd., Beryl Shipping Corporation, Cheryl Shipping Corporation, Christal Shipping Corporation, Hyperion Enterprises Inc., Kymata Shipping Co., Orbiter Shipping Corp., Pearl Shipping Corporation, Rubina Shipping Corporation, Seymour Trading Limited, Topaz Shipping Corporation, Camelia Shipping Inc., Balder Maritime Ltd, Hamburg Commercial Bank AG and certain banks and financial institutions named therein.[38]

4.31 Facility Agreement, dated June 17, 2021, by and among, Anthos Shipping Inc., Azalea Shipping Inc., Fandango Shipping Corporation, Flavescent Shipping Corporation, Sunstone Shipping Corporation, Zaffre Shipping Corporation and the National Bank of Greece S.A.[38]

4.32 Term Loan Facility Agreement, dated August 19, 2021, by and among Aramis Navigation Inc., Navios Maritime Partners, L.P., DNB Bank ASA, London Branch, DNB (UK) Limited and certain banks and financial institutions named therein.[38]

4.33 Facility Agreement 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 as Facility Agent, Security Agent and Sustainability Agent.*

4.34 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.*

4.35 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.*

4.36 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.*

4.37 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)]

4.38 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)]

4.39 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)]

4.40 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)]

4.41 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)]

4.42 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.*

4.43 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.*

4.44 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)]

4.45 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)]

4.46 Bareboat Charters and Memoranda of Agreement by and between Ocean Dawn Shipping Limited, wholly owned subsidiary of Minsheng Financial Leasing Co. Ltd., and Sui An Navigation Limited, Pingel Navigation Limited, Ebba Navigation Limited, Clan Navigation Limited, Olympia II Navigation Limited and Enplo Shipping Limited, dated May 25, 2018, providing for the sale and leaseback of the MOL Dedication, MOL Delight, MOL Destiny, MOL Devotion, Navios Domino (ex MOL Dominance) and Navios Verde, respectively.[(17)]

4.47 Bareboat Charters and Memoranda of Agreement by and between Ocean Wood Tang Shipping Limited, wholly owned subsidiary of Minsheng Financial Leasing Co. Ltd., and Bertyl Ventures Co., Isolde Shipping Inc., Rodman Maritime Corp., Silvanus Marine Company, Morven Chartering Inc. and Velour Management Corp., dated May 25, 2018, providing for the sale and leaseback of the Navios Azure, Navios Indigo, Navios Spring, Navios Summer, Navios Verano and Navios Vermillion, respectively.[(17)]

4.48 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)]

4.49 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)]

4.50 Sample Bareboat Charter and Memorandum of Agreement, dated March 22, 2019, for the sale and leaseback transaction among Great Syros Limited, Great Folegandros Limited, Great Skiathos Limited, Great Serifos Limited, and Great Sifnos Limited, being subsidiaries of AVIC International Leasing Co., Ltd., and Syros Shipping Corporation, Folegandros Shipping Corporation, Skiathos Shipping Corporation, Serifos Shipping Corporation, and Sifnos Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Alderamin, Nave Andromeda, Nave Capella, Nave Estella, and Nave Titan, respectively.(43)

4.51 Sample Bareboat Charter and Memorandum of Agreement, dated September 26, 2019, for the sale and leaseback transaction among Great Thasos Limited, Great Kithira Limited, and Great Antipsara Limited, being subsidiaries of AVIC International Leasing Co., Ltd., and Thasos Shipping Corporation, Kithira Shipping Corporation, and Antipsara Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Equinox, Nave Orbit, and Nave Velocity, respectively.(43)

4.52 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)

4.53 Sample Bareboat Charter and Memorandum of Agreement, dated October 16, 2019, for the sale and leaseback transaction among Xiang T105 HK International Ship Lease Co., Limited, Xiang T104 HK International Ship Lease Co., Limited, Xiang T106 HK International Ship Lease Co., Limited, Xiang T107 HK International Ship Lease Co., Limited, Xiang T103 HK International Ship Lease Co., Limited, and Xiang T108 HK International Ship Lease Co., Limited, being subsidiaries of Bank of Communications Financial Leasing Company, and Antikithira Shipping Corporation, Ios Shipping Corporation, Iraklia Shipping Corporation, Limnos Shipping Corporation, Skopelos Shipping Corporation, and Thera Shipping Corporation, being wholly owned subsidiaries of Navios Maritime Acquisition Corporation, providing for the sale and leaseback of the Nave Equator, Nave Cielo, Bougainville, Nave Pyxis, Nave Ariadne, and Nave Atropos, respectively.(43)

4.54 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)

4.55 Loan Agreement, dated June 25, 2020, of up to $20.8 million, among Aphrodite Shipping Corporation and Dione Shipping Corporation, as borrowers, Eurobank S.A., as agent, arranger, and security agent, and the Banks and Financial Institutions listed therein.(25)

4.56 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)

4.57 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)

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 PricewaterhouseCoopers S.A.*

15.2 Consent of Ernst & Young (Hellas) Certified Auditors Accountants S.A*

15.3 Consent of Ernst & Young (Hellas) Certified Auditors Accountants S.A*

15.4 Consent of Ernst & Young (Hellas) Certified Auditors Accountants S.A*

15.5 Consolidated Financial Statements of Navios Maritime Containers Sub L.P. for the years ended December 31, 2021, December 31, 2020, and December 31, 2019*

15.6 Consolidated Financial Statements of Navios Maritime Acquisition Corp. for the years ended December 31, 2021, December 31, 2020, and December 31, 2019*

101 The following materials from the Company's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, formatted in inline eXtensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets at December 31, 2021 and 2020; (ii) Consolidated Statements of Operations for each of the years ended December 31, 2021, 2020 and 2019; (iii) Consolidated Statements of Cash Flows for each of the years ended December 31, 2021, 2020 and 2019; (iv) Consolidated Statements of Changes in Partners' Capital for each of the years ended December 31, 2021, 2020 and 2019; 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) Previously filed as an exhibit to a Report on Form 6-K filed on May 21, 2018 and hereby incorporated by reference.

(33) Previously filed as an exhibit to a Report on Form 6-K filed on April 11, 2019 and hereby incorporated by reference.

(34) Previously filed as an exhibit to a Report on Form 6-K filed on August 8, 2019 and hereby incorporated by reference.

(35) Previously filed as an exhibit to a Report on Form 6-K filed on November 25, 2019 and hereby incorporated by reference.

(36) Previously filed as an exhibit to a Report on Form 6-K filed on January 13, 2020 and hereby incorporated by reference.

(37) Previously filed as an exhibit to a Report on Form 6-K filed on November 18, 2020 and hereby incorporated by reference.

(38) Previously filed as an exhibit to a Report on Form 6-K filed on August 26, 2021 and hereby incorporated by reference.

(39) 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.

(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, 20219 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.

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* 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 sheet of Navios Maritime Partners L.P. (the "Company") as of December 31, 2021, the related consolidated statements of operations, changes in partners' capital and cash flows for the year then ended, 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, 2021, and the results of its operations and its cash flows for the year then ended 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, 2021, 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 12, 2022 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 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 the financial statements are free of material misstatement, whether due to error or fraud. Our audit 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 audit 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 audit provides 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 consolidated 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.

Valuation of acquired intangible assets and unfavorable lease terms in Business Combinations

Description of the matter	As described in Note 3 to the consolidated financial statements, on March 31, 2021 and on August 25, 2021, the Company completed the acquisitions of Navios Maritime Containers L.P. ("Navios Containers") and Navios Maritime Acquisition Corporation ("Navios Acquisition"), respectively, which resulted in $112 million of intangible assets and $231 million of unfavorable lease terms being recognized. As discussed in Note 2(m) of the consolidated financial statements, when a vessel along with the current charter contract are acquired as part of a business combination, 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 deriving from the acquired charter contracts. Auditing the valuation of intangible assets and unfavorable lease terms was complex given the judgement and estimation uncertainty involved in determining the discount rates. Significant changes in this assumption could impact the fair value of the intangible assets and unfavorable lease liabilities recognized.
How we addressed the matter in our audit	We obtained an understanding of the Company's valuation process, evaluated the design, and tested the operating effectiveness of the controls over management's development of discount rates in determining the fair value of intangible assets and unfavorable lease terms. To test the discount rates applied by management, our procedures included, among others, reading the merger agreements and testing the completeness and accuracy of the data used to determine the discount rates. We evaluated the discount rates by considering the financial position of the acquirees, the cost of capital of comparable businesses and other industry factors. We involved internal valuation professionals with specialized skills and knowledge who assisted in evaluating the Company's discount rates by comparing them to discount rates that were independently developed using publicly available data for comparable entities. We also assessed the adequacy of the disclosures about the discount rates in Notes 2(m) and 3.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2021.

Athens, Greece
April 12, 2022

Report of Independent Registered Public Accounting Firm

To the Unitholders 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, 2021, 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, 2021 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 2021 consolidated financial statements of the Company and our report dated April 12, 2022 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 12, 2022

Report of Independent Registered Public Accounting Firm

To the Partners and Board of Directors of Navios Maritime Partners L.P.

Opinion on the Financial Statements

We have audited the consolidated balance sheet of Navios Maritime Partners L.P. and its subsidiaries (the "Company") as of December 31, 2020, and the related consolidated statements of operations, changes in partners' capital and cash flows for each of the two years in the period ended December 31, 2020, including 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 as of December 31, 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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 of these consolidated financial statements 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece
March 31, 2021

We served as the Company's auditor from 2007 to 2020.

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. Dollars except unit data)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	4	$ 159,467	$ 19,303
Restricted cash	4	9,979	11,425
Accounts receivable, net	5	23,774	16,969
Amounts due from related parties	2, 18	—	5,000
Prepaid expenses and other current assets	6	33,120	8,083
Total current assets		**226,340**	**60,780**
Vessels, net	7	2,852,570	1,041,138
Deposits for vessels acquisitions	16	46,335	—
Other long-term assets	11, 16	48,168	18,850
Deferred dry dock and special survey costs, net		69,882	37,045
Investment in affiliates	20	—	26,158
Amounts due from related parties	18	35,245	—
Intangible assets	8	100,422	2,000
Notes receivable, net of current portion	19	—	8,013
Operating lease assets	23	244,337	13,285
Total non-current assets		**3,396,959**	**1,146,489**
Total assets		**$ 3,623,299**	**$ 1,207,269**
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable	9	$ 21,062	$ 6,299
Accrued expenses	10	12,889	4,781
Deferred revenue	19	23,921	3,185
Operating lease liabilities, current portion	23	18,292	1,173
Amounts due to related parties	18	64,204	35,979
Current portion of financial liabilities, net	11	82,291	6,277
Current portion of long-term debt, net	11	172,846	195,558
Total current liabilities		**395,505**	**253,252**
Operating lease liabilities, net	23	225,512	11,980
Unfavorable lease terms	8	122,481	—
Long-term financial liabilities, net	11	465,633	56,481
Long-term debt, net	11	640,939	228,541
Deferred revenue	19	3,504	2,185
Total non-current liabilities		**1,458,069**	**299,187**
Total liabilities		**$ 1,853,574**	**$ 552,439**
Commitments and contingencies	16	—	—
Partners' capital:			
Common Unitholders (30,197,087 and 11,345,187 units issued and outstanding at December 31, 2021 and December 31, 2020, respectively)	13	1,743,717	652,013
General Partner (622,555 and 237,822 units issued and outstanding at December 31, 2021 and December 31, 2020, respectively)	13	26,008	2,817
Total partners' capital		**1,769,725**	**654,830**
Total liabilities and partners' capital		**$ 3,623,299**	**$ 1,207,269**

See notes to the consolidated financial statements

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, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Time charter and voyage revenues	2,14,17,19	$ 713,175	$ 226,771	$ 219,379
Time charter and voyage expenses	2, 23	(36,142)	(11,028)	(12,331)
Direct vessel expenses	2, 18	(29,259)	(10,337)	(6,985)
Vessel operating expenses (entirely through related parties transactions)	2, 18	(191,449)	(93,732)	(68,188)
General and administrative expenses	2, 18	(41,461)	(24,012)	(20,984)
Depreciation and amortization of intangible assets	7,8	(112,817)	(56,050)	(53,255)
Amortization of unfavorable lease terms	8	108,538	—	—
Gain on sale of vessels, net	7	33,625	—	—
Vessels impairment loss	7	—	(71,577)	(36,680)
Interest expense and finance cost, net	11	(42,762)	(24,159)	(45,254)
Interest income	18,19,20	859	639	6,172
Impairment of receivable in affiliated company	18	—	(6,900)	—
Other income	22	289	5,055	1,053
Other expense	18, 22	(9,738)	(4,344)	(4,990)
Equity in net earnings/ (loss) of affiliated companies	3, 20	80,839	1,133	(40,071)
Transaction costs	3	(10,439)	—	—
Bargain gain	3	48,015	—	—
Net income/ (loss)		**$ 511,273**	**$ (68,541)**	**$ (62,134)**
Net loss attributable to the noncontrolling interest		4,913	—	—
Net income/ (loss) attributable to Navios Partners' unitholders		**$ 516,186**	**$ (68,541)**	**$ (62,134)**

Net income/ (loss) attributable to Navios Partners' unitholders	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Common Unitholders	$ 505,862	$ (67,173)	$ (60,899)
General Partner	10,324	(1,368)	(1,235)
Net income/ (loss) attributable to Navios Partners' unitholders	**$ 516,186**	**$ (68,541)**	**$ (62,134)**

Earnings/ (losses) attributable to Navios Partners' unitholders per unit (see Note 21):	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Earnings/ (losses) attributable to Navios Partners' unitholders per unit:			
Earnings/ (losses) attributable to Navios Partners' unitholders per common unit, basic	$ 22.36	$ (6.13)	$ (5.62)
Earnings/ (losses) attributable to Navios Partners' unitholders per common unit, diluted	$ 22.32	$ (6.13)	$ (5.62)

See notes to the consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. Dollars)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
OPERATING ACTIVITIES:				
Net income/ (loss)		$ 511,273	$ (68,541)	$ (62,134)
Adjustments to reconcile net income/ (loss) to net cash provided by operating activities:				
Depreciation and amortization of intangible assets	7,8	112,817	56,050	53,255
Amortization of unfavorable lease terms	8	(108,538)	—	—
Vessels impairment loss	7	—	71,577	36,680
Navios Containers Impairment loss	20	—	—	42,603
Impairment of receivable in affiliated company	18	—	6,900	—
Non cash accrued interest income and amortization of deferred revenue	19	460	(1,588)	(12,638)
Allowance for credit losses	5	—	1,495	—
Non cash accrued interest income from receivable from affiliates	18	—	—	(279)
Amortization of operating lease assets	23	(401)	956	378
Amortization and write-off of deferred finance costs and discount		3,741	2,141	10,916
Amortization of deferred dry dock and special survey costs	2	16,143	10,337	6,916
Gain on sale of vessels, net	7	(33,625)	—	—
Bargain gain	3	(48,015)	—	—
Equity in net earnings of affiliated companies	3, 20	(80,839)	(1,133)	(2,532)
Stock-based compensation	13	523	946	2,018
Changes in operating assets and liabilities:				
Decrease/ (increase) in accounts receivable		344	(6,495)	4,649
Decrease/ (increase) in prepaid expenses and other current assets		9,770	3,722	(6,262)
Increase/ (Decrease) in accounts payable	9	1,260	(2,320)	2,505
Decrease in accrued expenses	10	(7,736)	(1,668)	(75)
(Decrease)/ Increase in amounts due to related parties	18	(14,541)	27,505	—
Increase/ (Decrease) in deferred revenue		17,743	(1,310)	213
(Increase)/ Decrease in amounts due from related parties	18	(53,420)	20,581	17,528
Payments for dry dock and special survey costs		(49,786)	(24,021)	(22,928)
Operating lease liabilities short and long-term	23	—	(1,048)	(418)
Net cash provided by operating activities		**277,173**	**94,086**	**70,395**
INVESTING ACTIVITIES:				
Net cash proceeds from sale of vessels	7	121,080	8,183	5,978
Acquisition of/ additions to vessels, net of cash acquired	7	(217,032)	(72,417)	(21,166)
Deposits for acquisition/ option to acquire vessel	16	(61,848)	(10,685)	(2,533)
Cash acquired from business acquisitions	3	42,676	—	—
Repayments of notes receivable	19	8,872	4,687	4,687
Loans receivable from affiliates	18	—	—	(4,000)
Payable to affiliated company	18	—	(13,622)	—
Net cash used in investing activities		**(106,252)**	**(83,854)**	**(17,034)**
FINANCING ACTIVITIES:				
Cash distributions paid	21	(4,615)	(7,872)	(13,550)
Net proceeds from issuance of general partner units	13	9,960	47	8
Net proceeds from issuance of common units	13	198,495	2,231	—
Proceeds from long-term debt and financial liabilities	11	735,276	79,475	386,530
Repayment of long-term debt and financial liabilities	11	(959,154)	(82,672)	(448,215)
Payments of deferred finance costs		(12,165)	(1,115)	(4,688)
Acquisition of treasury stock	13	—	—	(4,499)
Net cash used in financing activities		**$ (32,203)**	**$ (9,906)**	**$ (84,414)**
Increase/ (decrease) in cash, cash equivalents and restricted cash		**138,718**	**326**	**(31,053)**
Cash, cash equivalents and restricted cash, beginning of period		**30,728**	**30,402**	**61,455**
Cash, cash equivalents and restricted cash, end of period		**$ 169,446**	**$ 30,728**	**$ 30,402**

See notes to the consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. Dollars)

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Supplemental disclosures of cash flow information			
Cash interest paid	$ 50,382	$ 23,717	$ 32,869
Non cash financing activities			
Stock-based compensation	$ 523	$ 946	$ 2,018
Debt assumed for the acquisition of four drybulk vessels	$ —	$ —	$ (37,000)
Non cash investing activities			
Accrued interest on loan receivable from affiliates	$ —	$ —	$ 281
Loans receivable from affiliates	$ —	$ (9,992)	$ (15,205)
Acquisition of vessels	$ (5,766)	$ 37,999	$ 96,461

See notes to the consolidated financial statements

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	Note Receivable	Non controlling interest	Total Navios Partners' Capital
Balance, December 31, 2018	**230,006**	**$ 5,802**	**11,270,284**	**$ 800,374**	**(29,423)**	**—**	**$ 776,753**
Cash distribution paid ($1.22 per unit — see Note 21)	—	(276)	—	(13,274)	—	—	(13,550)
Acquisition of treasury stock (see Note 13)	—	—	(312,952)	(4,499)	—	—	(4,499)
Issuance of restricted common units (see Note 13)	518	8	29,396	191	—	—	199
Stock based compensation (see Note 13)	—	—	—	1,827	—	—	1,827
Issuance of capital surplus	—	—	1,058	—	—	—	—
Cancellation of units	—	—	(107)	—	—	—	—
Settlement of Note Receivable following Navios Europe I liquidation (see Note 18)	—	—	—	—	29,423	—	29,423
Net loss	—	(1,235)	—	(60,899)	—	—	(62,134)
Balance, December 31, 2019	**230,524**	**$ 4,299**	**10,987,679**	**$ 723,720**	**—**	**—**	**$ 728,019**
Cash distribution paid ($0.45 per unit — see Note 21)	—	(161)	—	(7,711)	—	—	(7,872)
Proceeds from public offering and issuance of units, net of offering costs (see Note 13)	7,298	47	357,508	2,231	—	—	2,278
Stock based compensation (see Note 13)	—	—	—	946	—	—	946
Net loss	—	(1,368)	—	(67,173)	—	—	(68,541)
Balance, December 31, 2020	**237,822**	**$ 2,817**	**11,345,187**	**$ 652,013**	**—**	**—**	**$ 654,830**
Cash distribution paid ($0.20 per unit — see Note 21)	—	(93)	—	(4,522)	—	—	(4,615)
Proceeds from public offering and issuance of units, net of offering costs (see Note 13)	149,597	4,156	7,330,222	198,495	—	—	202,651
Units issued for the acquisition of Navios Containers, net of expenses (see Note 3)	165,989	3,911	8,133,452	191,624	—	—	195,535
Stock based compensation (see Note 13)	—	—	—	523	—	—	523
Deemed contribution (see Note 3)	—	3,000	—	147,000	—	—	150,000
Fair value of noncontrolling interest (see Note 3)	—	—	—	—	—	57,635	57,635
Net income	—	10,324	—	505,862	—	(4,913)	511,273
Units issued for the acquisition of Navios Acquisition (see Note 3)	69,147	1,893	3,388,226	52,722	—	(52,722)	1,893
Balance, December 31, 2021	**622,555**	**$ 26,008**	**30,197,087**	**$ 1,743,717**	**—**	**—**	**$ 1,769,725**

See notes to the consolidated financial statements

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. Currently, the Company's general partner is Olympos Maritime Ltd. (the "General Partner") and holds a 2.0% ownership interest in Navios Partners (see Note 18 — 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 18 — Transactions with related parties and affiliates).

As of December 31, 2021, there were 30,197,087 outstanding common units and 622,555 general partnership units. As of December 31, 2021, Navios Holdings held a 10.3% ownership interest in Navios Partners and the General Partner owned a 2.0% ownership interest in Navios Partners.

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 our trading performance, management believes that the Company has adequate financial resources to continue in operation and meet its financial commitments, including but not limited to capital expenditures, cash from sale of vessels and debt service obligations, for a period of at least twelve 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.

Reverse Stock Split:

On April 25, 2019, the Company's unitholders approved a 1-for-15 reverse stock split of the Company's outstanding common and general partner units, which was effected on May 21, 2019. The effect of the reverse stock split was to combine 15 units of outstanding common units into one new unit, with no change in authorized units or par value per unit, and to reduce the number of common units outstanding from approximately 164.7 million units to approximately 11.0 million units. 983 common units were issued in connection with the reverse stock split. All issued and outstanding common units contained in the financial statements, in accordance with Staff Accounting Bulletin Topic 4C, have been retroactively adjusted to reflect the reverse split for all periods presented.

(b) Principles of consolidation: The accompanying consolidated financial statements include Navios Partners' wholly owned subsidiaries incorporated under the laws of Marshall Islands, Malta, Cayman Islands and Liberia from their dates of incorporation or from the date of acquiring control, 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.

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

(Expressed in thousands of U.S. Dollars except unit and per unit data)

The accompanying consolidated financial statements include the following entities:

Company name	Vessel name	Country of incorporation	Statements of Operations		
			2021	2020	2019
Libra Shipping Enterprises Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Alegria Shipping Corporation	Navios Alegria	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Felicity Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Gemini Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Galaxy Shipping Corporation[4]	—	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.	—	Marshall Is.	1/01 – 12/31	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.	Navios Hyperion	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.	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.	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[13]	—	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[12]	Navios Beaufiks	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.	Navios Prosperity I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Wave Shipping Corp.	Navios Libertas	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]	Navios Utmost	Marshall Is.	03/31-12/31	—	—
Limestone Shipping Corporation[5]	Navios Unite	Marshall Is.	03/31-12/31	—	—
Dune Shipping Corp.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Citrine Shipping Corporation	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Cavalli Navigation Inc.	—	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Seymour Trading Limited [2]	Navios Altair I	Marshall Is.	1/01 – 12/31	1/01 – 12/31	1/01 – 12/31
Goldie Services Company	Navios Symmetry	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[7],[19]	Castor N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Cronus Shipping Corporation[7]	Protostar N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Leto Shipping Corporation[7],[17]	Esperanza N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Dionysus Shipping Corporation[7],[30]	Harmony N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Prometheus Shipping Corporation[7],[18]	Solar N	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/13 – 12/31
Camelia Shipping Inc.[8]	Navios Camelia	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Anthos Shipping Inc.[8]	Navios Anthos	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Azalea Shipping Inc.[8],[1]	Navios Azalea	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Amaryllis Shipping Inc.[8]	Navios Amaryllis	Marshall Is.	1/01 – 12/31	1/01 – 12/31	12/16 – 12/31
Zaffre Shipping Corporation[14]	Serenitas N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Wenge Shipping Corporation[14],[20]	Joie N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Sunstone Shipping Corporation[14]	Copernicus N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Fandango Shipping Corporation[14]	Unity N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Flavescent Shipping Corporation[14]	Odysseus N	Marshall Is.	1/01 – 12/31	6/29 – 12/31	—
Emery Shipping Corporation[15]	Navios Gem	Marshall Is.	1/01 – 12/31	9/30 – 12/31	—
Rondine Management Corp. [15]	Navios Victory	Marshall Is.	1/01 – 12/31	9/30 – 12/31	—
Prosperity Shipping Corporation	—	Marshall Is.	1/01 – 12/31	—	—
Aldebaran Shipping Corporation	—	Marshall Is.	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.	03/30 – 12/31	—	—
Mandora Shipping Ltd.[16]	Navios Centaurus	Marshall Is.	03/30 – 12/31	—	—
Olympia II Navigation Limited	Navios Domino	Marshall Is.	03/31 – 12/31	—	—
Pingel Navigation Limited	Navios Delight	Marshall Is.	03/31 – 12/31	—	—
Ebba Navigation Limited	Navios Destiny	Marshall Is.	03/31 – 12/31	—	—
Clan Navigation Limited	Navios Devotion	Marshall Is.	03/31 – 12/31	—	—
Sui An Navigation Limited [23]	Navios Dedication	Marshall Is.	03/31 – 12/31	—	—
Bertyl Ventures Co.	Navios Azure	Marshall Is.	03/31 – 12/31	—	—
Silvanus Marine Company	Navios Summer	Marshall Is.	03/31 – 12/31	—	—
Anthimar Marine Inc.	Navios Amarillo	Marshall Is.	03/31 – 12/31	—	—
Enplo Shipping Limited	Navios Verde	Marshall Is.	03/31 – 12/31	—	—
Morven Chartering Inc.	Navios Verano	Marshall Is.	03/31 – 12/31	—	—
Rodman Maritime Corp.	Navios Spring	Marshall Is.	03/31 – 12/31	—	—
Isolde Shipping Inc.	Navios Indigo	Marshall Is.	03/31 – 12/31	—	—

Velour Management Corp.	Navios Vermilion	Marshall Is.	03/31 – 12/31	—	—
Evian Shiptrade Ltd.	Navios Amaranth	Marshall Is.	03/31 – 12/31	—	—
Theros Ventures Limited	Navios Lapis	Marshall Is.	03/31 – 12/31	—	—
Legato Shipholding Inc.	Navios Tempo	Marshall Is.	03/31 – 12/31	—	—
Inastros Maritime Corp.	Navios Chrysalis	Marshall Is.	03/31 – 12/31	—	—
Zoner Shiptrade S.A.	Navios Dorado	Marshall Is.	03/31 – 12/31	—	—
Jasmer Shipholding Ltd.	Navios Nerine	Marshall Is.	03/31 – 12/31	—	—
Thetida Marine Co.	Navios Magnolia	Marshall Is.	03/31 – 12/31	—	—
Jaspero Shiptrade S.A.	Navios Jasmine	Marshall Is.	03/31 – 12/31	—	—
Peran Maritime Inc.	Navios Felicitas	Marshall Is.	03/31 – 12/31	—	—
Nefeli Navigation S.A.	Navios Unison	Marshall Is.	03/31 – 12/31	—	—
Crayon Shipping Ltd	Navios Miami	Marshall Is.	03/31 – 12/31	—	—
Chernava Marine Corp.	Bahamas	Marshall Is.	03/31 – 12/31	—	—
Proteus Shiptrade S.A	Bermuda	Marshall Is.	03/31 – 12/31	—	—
Vythos Marine Corp.	Navios Constellation	Marshall Is.	03/31 – 12/31	—	—
Navios Maritime Containers Sub L.P.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Navios Partners Containers Finance Inc.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Boheme Navigation Company	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Navios Partners Containers Inc.	Sub-Holding Company	Marshall Is.	03/31 – 12/31	—	—
Iliada Shipping S.A.	Operating Company	Marshall Is.	03/31 – 12/31	—	—

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Vinetree Marine Company	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Afros Maritime Inc.	Operating Company	Marshall Is.	03/31 – 12/31	—	—
Cavos Navigation Co.[9]	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	9/25 – 12/31
Pleione Management Limited[10]	Navios Star	Marshall Is.	1/01 – 12/31	1/01 – 12/31	9/25 – 12/31
Bato Marine Corp.[21]	TBN I	Marshall Is.	03/05 – 12/31	—	—
Agron Navigation Company [21]	TBN II	Marshall Is.	03/05 – 12/31	—	—
Teuta Maritime S.A.[22]	TBN VII	Marshall Is.	03/05 – 12/31	—	—
Ambracia Navigation Company[21]	TBN IV	Marshall Is.	03/05 – 12/31	—	—
Artala Shipping Co.[22]	TBN V	Marshall Is.	03/05 – 12/31	—	—
Migen Shipmanagement Ltd.	Sub-Holding Company	Marshall Is.	03/05 – 12/31	—	—
Bole Shipping Corporation[24]	Spectrum N	Marshall Is.	04/28 – 12/31	—	—
Brandeis Shipping Corporation[24]	Ete N	Marshall Is.	05/10 – 12/31	—	—
Buff Shipping Corporation[24]	Fleur N	Marshall Is.	05/10 – 12/31	—	—
Morganite Shipping Corporation[25]	TBN VI	Marshall Is.	06/01 – 12/31	—	—
Balder Martitime Ltd.[26]	Navios Koyo	Marshall Is.	06/04 – 12/31	—	—
Melpomene Shipping Corporation[27]	TBN VIII	Marshall Is.	06/23 – 12/31	—	—
Urania Shipping Corporation[27]	TBN IX	Marshall Is.	06/23 – 12/31	—	—
Terpsichore Shipping Corporation[28]	TBN X	Marshall Is.	06/23 – 12/31	—	—
Erato Shipping Corporation[28]	TBN XI	Marshall Is.	06/23 – 12/31	—	—
Lavender Shipping Corporation[12] [29]	Navios Ray	Marshall Is.	06/30 – 12/31	—	—
Nostos Shipmanagement Corp.[12] [29]	Navios Bonavis	Marshall Is.	06/30 – 12/31	—	—
Navios Maritime Acquisition Corporation	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Acquisition Europe Finance Inc.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Acquisition Finance (US) Inc.	Co-Issuer of Ship Mortgage Notes	Delaware	08/25 – 12/31	—	—
Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	08/25 – 12/31	—	—
Letil Navigation Ltd.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Partners Finance (US) Inc.	Sub-Holding Company	Delaware	08/25 – 12/31	—	—
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Amorgos Shipping Corporation	Nave Cosmos	Marshall Is.	08/25 – 12/31	—	—
Andros Shipping Corporation	Nave Polaris	Marshall Is.	08/25 – 12/31	—	—
Antikithira Shipping Corporation	Nave Equator	Marshall Is.	08/25 – 12/31	—	—
Antiparos Shipping Corporation	Nave Atria	Marshall Is.	08/25 – 12/31	—	—
Antipaxos Shipping Corporation	Nave Dorado	Marshall Is.	08/25 – 12/31	—	—
Antipsara Shipping Corporation	Nave Velocity	Marshall Is.	08/25 – 12/31	—	—
Crete Shipping Corporation	Nave Cetus	Marshall Is.	08/25 – 12/31	—	—
Delos Shipping Corporation	Nave Photon	Marshall Is.	08/25 – 12/31	—	—

Folegandros Shipping Corporation	Nave Andromeda	Marshall Is.	08/25 – 12/31	—	—
Ikaria Shipping Corporation	Nave Aquila	Marshall Is.	08/25 – 12/31	—	—
Ios Shipping Corporation	Nave Cielo	Cayman Islands	08/25 – 12/31	—	—
Iraklia Shipping Corporation	Bougainville	Marshall Is.	08/25 – 12/31	—	—
Kimolos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kithira Shipping Corporation	Nave Orbit	Marshall Is.	08/25 – 12/31	—	—
Kos Shipping Corporation	Nave Bellatrix	Marshall Is.	08/25 – 12/31	—	—
Lefkada Shipping Corporation	Nave Buena Suerte	Marshall Is.	08/25 – 12/31	—	—
Leros Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Mytilene Shipping Corporation	Nave Orion	Marshall Is.	08/25 – 12/31	—	—
Oinousses Shipping Corporation	Nave Jupiter	Marshall Is.	08/25 – 12/31	—	—
Psara Shipping Corporation	Nave Luminosity	Marshall Is.	08/25 – 12/31	—	—
Rhodes Shipping Corporation	Nave Cassiopeia	Marshall Is.	08/25 – 12/31	—	—
Samos Shipping Corporation	Nave Synergy	Marshall Is.	08/25 – 12/31	—	—
Samothrace Shipping Corporation	Nave Pulsar	Marshall Is.	08/25 – 12/31	—	—
Serifos Shipping Corporation	Nave Estella	Marshall Is.	08/25 – 12/31	—	—
Sifnos Shipping Corporation	Nave Titan	Marshall Is.	08/25 – 12/31	—	—
Skiathos Shipping Corporation	Nave Capella	Marshall Is.	08/25 – 12/31	—	—
Skopelos Shipping Corporation	Nave Ariadne	Cayman Islands	08/25 – 12/31	—	—
Skyros Shipping Corporation	Nave Sextans	Marshall Is.	08/25 – 12/31	—	—
Syros Shipping Corporation	Nave Alderamin	Marshall Is.	08/25 – 12/31	—	—
Thera Shipping Corporation	Nave Atropos	Marshall Is.	08/25 – 12/31	—	—
Tilos Shipping Corporation	Nave Spherical	Marshall Is.	08/25 – 12/31	—	—

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Tinos Shipping Corporation	Nave Rigel	Marshall Is.	08/25 – 12/31	—	—
Zakynthos Shipping Corporation	Nave Quasar	Marshall Is.	08/25 – 12/31	—	—
Cyrus Investments Corp.	Baghdad	Marshall Is.	08/25 – 12/31	—	—
Olivia Enterprises Corp.	Erbil	Marshall Is.	08/25 – 12/31	—	—
Limnos Shipping Corporation	Nave Pyxis	Marshall Is.	08/25 – 12/31	—	—
Thasos Shipping Corporation	Nave Equinox	Marshall Is.	08/25 – 12/31	—	—
Agistri Shipping Limited	Operating Subsidiary	Malta	08/25 – 12/31	—	—
Paxos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Donoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Schinousa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Alonnisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Makronisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Shinyo Loyalty Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Navigator Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	08/25 – 12/31	—	—
Shinyo Dream Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Kannika Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Kieran Limited	Nave Universe	British Virgin Islands	08/25 – 12/31	—	—
Shinyo Ocean Limited	Former Vessel-Owning Company	Hong Kong	08/25 – 12/31	—	—
Shinyo Saowalak Limited	Nave Constellation	British Virgin Islands	08/25 – 12/31	—	—
Sikinos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kerkyra Shipping Corporation	Nave Galactic	Marshall Is.	08/25 – 12/31	—	—
Doxa International Corp.	Nave Electron	Marshall Is.	08/25 – 12/31	—	—
Alkmene Shipping Corporation	Star N	Marshall Is.	08/25 – 12/31	—	—
Aphrodite Shipping Corporation	Aurora N	Marshall Is.	08/25 – 12/31	—	—
Dione Shipping Corporation	Lumen N	Marshall Is.	08/25 – 12/31	—	—
Persephone Shipping Corporation	Hector N	Marshall Is.	08/25 – 12/31	—	—
Rhea Shipping Corporation	Perseus	Marshall Is.	08/25 – 12/31	—	—
Tzia Shipping Corporation [21]	TBN XIV	Marshall Is.	08/25 – 12/31	—	—
Boysenberry Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Cadmium Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Celadon Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Cerulean Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	08/25 – 12/31	—	—
Kleio Shipping Corporation [6]	TBN XII	Marshall Is.	08/12 – 12/31	—	—

Polymnia Shipping Corporation [6]	TBN XIII	Marshall Is.	08/12 – 12/31	—	—
Goddess Shiptrade Inc. [21]	TBN III	Marshall Is.	08/02 – 12/31	—	—
Navios Acquisition Merger Sub.Inc.	Merger SPV	Marshall Is.	08/23 – 12/31	—	—
Aramis Navigation Inc.[3]	Navios Azimuth	Marshall Is.	07/09 – 12/31	—	—
Thalia Shipping Corporation [6]	TBN XVII	Marshall Is.	11/17-12/31	—	—
Muses Shipping Corporation[6]	TBN XVIII	Marshall Is.	11/17-12/31	—	—
Euterpe Shipping Corporation [28]	TBN XVI	Marshall Is.	11/17-12/31	—	—
Calliope Shipping Corporation [28]	TBN XV	Marshall Is.	11/17-12/31	—	—

(1) The vessel was sold on August 13, 2021.
(2) The vessel was sold on October 29, 2021.
(3) The vessel was acquired on July 9, 2021, from Navios Holdings (see Note 7 - Vessels, net).
(4) The vessel was sold on April 23, 2019.
(5) The vessel agreed to be sold in February 2022 (see Note 24 – Subsequent events).
(6) Expected to be delivered by the second half of 2024.
(7) The vessels were acquired on December 13, 2019, following the liquidation of Navios Europe I.
(8) The vessels were acquired on December 16, 2019.
(9) The vessel was delivered on July 24, 2019 (see Note 23 - Leases).
(10) The vessels were delivered on May 28, 2021 and June 10, 2021 (see Note 23 - Leases).
(11) Not a vessel-owning subsidiary and only holds right to charter-in contracts.
(12) Vessels under the sale and leaseback transaction.
(13) The vessel was sold on December 10, 2020 (see Note 7 – Vessels, net).
(14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II (see Note 7 - Vessels, net).
(15) The vessels were acquired on September 30, 2020, from Navios Holdings (see Note 7 - Vessels, net).
(16) The vessels were acquired on March 30, 2021, from Navios Holdings (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) Expected to be delivered by the second half of 2022.
(22) Expected to be delivered in the first half of 2023.
(23) The vessel was sold on July 31, 2021.
(24) The vessels were acquired on May 10, 2021 (see Note 7 – Vessels, net).
(25) Expected to be delivered in the first half of 2023.
(26) The vessel was acquired on June 4, 2021, from Navios Holdings (see Note 7 - Vessels, net).
(27) Expected to be delivered by the second half of 2023.
(28) Expected to be delivered by the first half of 2024.
(29) The vessel was acquired on June 30, 2021, from Navios Holdings (see Note 7 - Vessels, net).
(30) The vessel was sold on August 16, 2021.

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. For the year ended December 31, 2020, the amount of $6,900 was recognized as impairment of receivable in affiliated company, related to the other-than-temporary impairment recognized in the Navios Partners' receivable from Navios Europe II (see Note 20 — Investment in affiliates).

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 35.7% as of December 31, 2020). Following the completion of the NMCI Merger (as defined herein), as of March 31, 2021, Navios Containers was acquired by Navios Partners and ownership was 100%; (ii) Navios Europe I and its subsidiaries with an ownership interest of 5% through the date of its liquidation on December 13, 2019; and (iii) Navios Europe II and its subsidiaries with an ownership interest of 5% through the date of its liquidation on June 29, 2020 (see Note 18 — Transactions with related parties and affiliates, Note 20 – Investment in 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 uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets and scrap value expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, valuation of intangible assets and liabilities acquired in business combinations,provisions for legal disputes, and contingencies and the valuation estimates inherent in the deconsolidation gain. 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, at each of December 31, 2021 and December 31, 2020, included $9,979 and $6,152, respectively, which related to 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. Also, as of December 31, 2020, restricted cash included $5,273 as cash collateral to the NIBC Credit Facility, due to the release of the Navios Soleil.

(f) Accounts Receivable, Net: Accounts receivable includes receivables from charterers for hire, freight and demurrage billings. On January 1, 2020, the Company adopted Accounting Standards Update 2016-13, "Financial Instruments - Credit Losses" ("ASC 326"). At each balance sheet date, the Company maintains an allowance for credit losses for expected uncollectible accounts receivable (see Note 5 - Accounts Receivable, net). Navios Partners has filed claims for lost revenues in connection with the 2016 filing by Hanjin for rehabilitation, which was later followed by entry into liquidation in 2017. In October 2020, the bankruptcy court ruled against one of the two claims filed by the Company. The Company has fully provided for these amounts in its books. The allowance for credit losses was $2,990 as of December 31, 2021 and 2020, respectively.

(g) Inventories: Inventories, which are comprised of: (i) bunkers (when applicable) on board of the vessels, valued at cost as determined on the first-in, first-out basis; and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, valued at cost as determined on the first-in, first-out basis.

(h) 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, 2021 and 2020.

Management estimates the useful life of the Company's vessels to be 25 years for drybulk and tanker vessels and 30 years from 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.

(i) 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. No assets were classified as held for sale as of December 31, 2021 and 2020.

(j) 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 useful lives and carrying values of long-lived assets, certain indicators of potential impairment, are reviewed such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group 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.

The management of the Company has considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook. 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 step one of the impairment analysis was not required.

As of December 31, 2020, the Company concluded that events occurred and circumstances had changed, which indicated that potential impairment 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, an impairment assessment of long-lived assets (step one) was performed.

The Company determined the undiscounted projected net operating cash flows for each vessel and compared it to the vessels' carrying value together with the carrying value 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 carrying value of the related intangible assets, if applicable. The significant factors and assumptions the Company used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering 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, vessel operating expenses as determined by the Management Agreements (as defined herein) in effect until December 2024 and thereafter assuming an increase of 3.0% every second year and utilization rate of 98.6% based on the fleet's historical performance.

Where the undiscounted projected net operating cash flows do not exceed the carrying value of an asset group, management proceeded to perform step two of the impairment assessment. In step two of the impairment assessment, the Company determined fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations from independent ship brokers performed on an individual vessel basis. The significant factors and assumptions used by management in determining fair value of vessels included those in developing the projected net operating cash flows over the remaining economic life of each vessel and the discount rate.

During the fourth quarter of fiscal year 2020, the Company’s assessment concluded that step two of the impairment analysis was required for certain of its vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $50,991 for four of its vessels, being the difference between the fair value and the vessels’ carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption “Vessels impairment loss” in the Consolidated Statements of Operations (see Note 7 — Vessels, net).

As of June 30, 2020, the Company’s assessment concluded that step two of the impairment analysis was required for three containerships held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $6,800 for these vessels, being the difference between the fair value and the vessels’ carrying value together with the carrying value of deferred drydock and special survey costs related to the vessels, presented under the caption “Vessels impairment loss” in the Consolidated Statements of Operations.

As of December 31, 2019, the Company’s assessment concluded that step two of the impairment analysis was required for certain of its vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value. As a result, the Company recorded an impairment loss of $29,335 for one vessel, being the difference between the fair value and the vessel's carrying value together with the carrying value of deferred drydock and special survey costs related to the vessel, presented under the caption “Vessels impairment loss” in the Consolidated Statements of Operations (see Note 7 — Vessels, net).

During the years ended December 31, 2020 and 2019, an impairment loss of $13,786 and $7,345, respectively, was also recognized in connection with the committed sales of the Navios Soleil in December 2020, the Esperanza N in January 2021, the Castor N in February 2021 and the Navios Galaxy in April 2019, 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).

The total impairment loss recognized amounted to $0, $71,577 and $36,680 for the years ended December 31, 2021, 2020 and 2019, respectively, and is presented under the caption "Vessels impairment loss" in the Consolidated Statements of Operations.

(k) 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 vessels' 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, 2021, 2020 and 2019, the amortization expense was $16,143, $10,337 and $6,916, respectively and are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations.

(l) Deferred Finance Costs: Deferred finance costs include fees, commissions and legal expenses associated with obtaining or modifying credit facilities and financial liabilities. Deferred finance costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related facility using the effective interest rate method, and are presented under the caption "Interest expense and finance cost, net". Amortization and write-off of deferred finance costs, including amortization of debt discount, for each of the years ended December 31, 2021, 2020 and 2019 were $3,741, $2,141 and $10,916, respectively.

(m) Intangible Assets and Unfavorable Lease Terms: Navios Partners' intangible assets and liabilities consist of favorable lease terms and unfavorable lease terms. When a vessel along with the current charter contract are acquired as part of a business combination, 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 use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on Navios Partners' financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining life of the lease term and the amortization expense 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, 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 step one of the impairment analysis was not required as described in paragraph (j) above. As of December 31, 2020 and 2019, the management, after considering various indicators, performed an impairment test which included intangible assets as described in paragraph (j) above. As of December 31, 2021, 2020 and 2019 there was no impairment of intangible assets.

(n) 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, 2021, 2020 and 2019 were not material for any of these periods.

(o) 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.

(p) 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 (see Note 14 — Segment information).

***(q) 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 $669,185, $218,809 and $204,920 for the years ended December 31, 2021, 2020 and 2019, 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 $25,199, $3,754 and $9,416 for the years ended December 31, 2021, 2020 and 2019, 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 on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the 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 $17,982, $4,208 and $5,043 for the years ended December 31, 2021, 2020 and 2019, 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 for the years ended December 31, 2021, 2020 and 2019 amounted to $809, nil and nil, 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 compensation received for the future reduction in the daily hire rates payable by Hyundai Merchant Marine Co. ("HMM"). 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).

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 daily fee of: (a) $4.23 daily rate per Ultra-Handymax vessel; (b) $4.33 daily rate per Panamax vessel; (c) $5.25 daily rate per Capesize vessel; (d) $6.70 daily rate per Containership of TEU 6,800; (e) $7.40 daily rate per Containership of more than TEU 8,000 and (f) $8.75 daily rate per very large Containership of more than TEU 13,000 through December 2019. These fixed daily fees cover the vessels' operating expenses, other than certain extraordinary fees and costs (pursuant to the terms of the management agreements).

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. Vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) $4.35 daily rate per Ultra-Handymax Vessel; (b) $4.45 daily rate per Panamax Vessel; (c) $5.41 daily rate per Capesize Vessel; and (d) $6.90 daily rate per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise. In December 2019, the Management Agreement was further amended to include from January 1, 2020, a $6.1 daily rate per Sub-Panamax/Panamax Containership.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships and following the liquidation of Navios Europe II, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax vessels. As per the Management Agreement, as amended in December 2019, vessel operating expenses are fixed for two years commencing from January 1, 2020 at $6.1 daily rate per Sub-Panamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Following the completion of the NMCI Merger, the fleet of Navios Containers is included in Navios Partners' owned fleet and continued to be operated by the Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the NMCI management agreement (the "NMCI Management Agreement"), vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.22 daily rate per Containership of TEU 3,000 up to 4,999, respectively; (b) $7.78 daily rate per Containership of TEU 8,000 up to 9,999, respectively; and (c) $8.27 daily rate per Containership of TEU 10,000 up to 11,999, respectively. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet and continued to be operated by Tankers Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the Navios Acquisition management agreement with Tankers Manager (the "NNA Management Agreement" and together with the Management Agreement and the NMCI Management Agreement, the "Management Agreements"), vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.8 per day per MR2 and MR1 product tanker and chemical tanker vessel; (b) $7.23 per day per LR1 product tanker vessel; and (c) $9.7 per day per VLCC. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel, an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Following completion of the Mergers, the Managers provide commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) $4.45 daily per Panamax Vessel; (b) $4.35 daily per Ultra-Handymax Vessel; (c) $5.41 daily per Capesize Vessel; (d) $6.1 daily per owned container vessel of 1,300TEU to 3,400TEU; (e) $6.22 daily rate per Containership of TEU 3,000 up to 4,999; (f) $6.9 daily per 6,800 TEU Containership; (g) $7.78 daily rate per Containership of TEU 8,000 up to 9,999; (h) $8.27 daily rate per Containership of TEU 10,000 up to 11,999; (i) $6.83 per day per MR2 and MR1 product tanker and chemical tanker vessel; (j) $7.23 per day per LR1 product tanker vessel; and (k) $9.65 per day per VLCC.

The Management Agreements also provide for payment of a termination fee, equal to the 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 December 31, 2024.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under the Company's Management Agreements, amounted to $11,408 and $3,366, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the Consolidated Statements of Cash Flows. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $5,811 are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $2,034 are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Vessel operating expenses for each of the years ended December 31, 2021, 2020 and 2019 amounted to $191,449, $93,732 and $68,188, respectively.

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. 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 December 31, 2024.

Total general and administrative expenses charged by the Managers for each of the years ended December 31, 2021, 2020 and 2019 amounted to $28,805, $13,708 and $10,406, respectively.

(r) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, trade receivables and payables, other receivables and other liabilities, long-term debt and financial 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 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.

For the year ended December 31, 2021, Singapore Marine Pte. Ltd ("Singapore Marine") represented approximately 14.5% of our total revenues. For the year ended December 31, 2020 HMM, Singapore Marine and Cargill represented approximately 23.4%, 19.5% and 11.4%, respectively, of the Company's total revenues. For the year ended December 31, 2019 HMM, Swissmarine and Cargill represented approximately 25.9%, 12.3% and 10.9%, respectively, of the Company's total revenues. No other customers accounted for 10% or more of total revenues for any of the years presented.

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.

(s) 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 $4,615, $7,872 and $13,550 to its unitholders of common and general partner units during the years ended December 31, 2021, 2020 and 2019, 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, 2021, 2020 and 2019, maintenance and replacement capital expenditures reserve approved by the Board of Directors was $83,147, $36,455 and $29,039, respectively.

(t) ***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, 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. The effect of compensation expense arising from the restricted common units described above amounted to $523, $946 and $2,018 for the years ended December 31, 2021, 2020 and 2019, 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 years ended December 31, 2021, 2020 and 2019. As of December 31, 2021, 347,389 restricted common units were vested, cumulatively.

(u) ***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, Malta, Cayman Islands, Liberia, British Virgin Islands and Hong Kong, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes which have been included in vessel operating expenses in the accompanying Consolidated Statements of Operations.

(v) ***(Loss)/Earnings Per Unit:*** Basic (losses)/earnings per unit is computed by dividing net (loss)/income 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.

(w) ***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.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into an agreement (the "Navios Holdings Guarantee") by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20,000. In October 2020, Navios Holdings paid an amount of $5,000 to Navios Partners. In April 2021, Navios Holdings paid an amount of $5,000 to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to $0 and $5,000, respectively. The guarantee claim receivable is presented under the caption "Amounts due from related parties" under current assets in the Consolidated Balance Sheets as of December 31, 2020.

(x) ***Leases:*** 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.

For charters classified as finance leases the minimum lease payments are recorded as the gross investment in the lease. The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease. For charters classified as operating leases where Navios Partners is regarded as the lessor, (see Note 2(q) — Summary of Significant Accounting Policies).

In cases of lease agreements where the Company acts as the lessee, the Company recognizes a right-of-use asset and a corresponding lease liability on the consolidated balance sheet. After lease commencement, the Company measures the lease liability for an operating lease 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 Navios Acquisition's lease agreements at the date of obtaining control, the Company measured the lease liability at the present value of the remaining lease payments as if these lease agreements were a new lease of the Company at the date of obtaining control. For finance leases, interest expense is determined using the effective interest method and amortization on the right-of-use asset is recognized 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. The expense is included under the caption "Time charter and voyage expenses" in the Consolidated Statement of Operations.

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.

Operating 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 asset. Navios Partners determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest. If step two of the impairment analysis is required, the analysis includes the use of the discounted cash flow which comprises various assumptions, including the Company's weighted average cost-of capital ("WACC").

As of 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 step one of the impairment analysis was not required.

As of December 31, 2020, the management concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Partners' operating 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, an impairment assessment of operating lease assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for each chartered-in vessel and compared it to operating lease asset's carrying value together with the carrying value of deposits for the option to acquire a vessel including expenses and interest. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on three-year average historical time charter rates) over the remaining lease term, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat chartered-in vessels), vessel operating expenses in accordance with the terms of Management Agreements (assuming an annual increase of 3.0% every second year for the bareboat chartered-in vessels).

As of December 31, 2020 and 2019, the Company's impairment assessments indicated that the undiscounted projected net operating cash flows determined for each asset group exceeded their carrying value. The impairment assessments performed as of December 31, 2020 and 2019 did not result in impairment charges.

(y) ***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.

(z) ***Recent Accounting Pronouncements:***

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments ("ASU 2021-05"). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of adoption to the consolidated and combined financial statements and related disclosures.

In March 2020, the Financial Accounting Standards Board issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued Accounting Standard Update ("ASU") 2021-01 (Topic 848), which amends and clarifies the existing accounting standard issued in March 2020 ("ASU") 2020-04 for Reference Rate Reform. Reference rates such as LIBOR, are widely used in a broad range of financial instruments and other agreements. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities under way in global financial markets (the "discounting transition"). The ASU 2020-04 is effective for adoption at any time between March 12, 2020 and December 31, 2022, for all entities and the ASU 2021-01 is effective for all entities as of January 7, 2021 through December 31, 2022. As of December 31, 2021, the Company has not made any contract modifications to replace the reference rate in any of its agreements and will continue to evaluate the effects of this standard on its consolidated financial position, results of operations, and cash flows.

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 ("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.

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 purchase gain of $44,053. The transaction resulted in a bargain purchase gain as a result of the share price of Navios Containers trading at a discount to their net asset value ("NAV"). 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 (ii) the current market charter rates for a similar contract and (iii) 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 NMCI 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 Statement 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.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

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. 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 Statement of Operations amounted to $168,322 and $182,479, respectively.

Transaction costs amounted to $247 and have been expensed in the Consolidated Statement 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 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	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)

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.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

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 the 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 (ii) the current market charter rates for a similar contract and (iii) 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 Statement of Operations amounted to $82,477 and $17,946, respectively.

Transaction costs amounted to $10,192 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)**

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)

(Expressed in thousands of U.S. Dollars except unit and per unit data)

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, 2021	December 31, 2020
Cash and cash equivalents	$ 159,467	$ 19,303
Restricted cash	9,979	11,425
Total cash and cash equivalents and restricted cash	**$ 169,446**	**$ 30,728**

As of December 31, 2021 and December 31, 2020, restricted cash amounted to $9,979 and $11,425, respectively and 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, 2021	December 31, 2020
Accounts receivable	$ 26,764	$ 19,959
Less: Provision for credit losses	(2,990)	(2,990)
Accounts receivable, net	**$ 23,774**	**$ 16,969**

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, 2021	$ (2,990)	$ —	$ —	$ (2,990)
Year ended December 31, 2020	$ (1,495)	$ (1,495)	$ —	$ (2,990)
Year ended December 31, 2019	$ (1,495)	$ —	$ —	$ (1,495)

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 year ended December 31, 2021, one customer accounted for 14.5% of the Company's total revenues. For the year ended December 31, 2020, three customers accounted for 23.4%, 19.5% and 11.4%, respectively, of the Company's total revenues and for the year ended December 31, 2019, three customers accounted for 25.9%, 12.3% and 10.9%, respectively, of the Company's total revenues.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

NOTE 6 – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	December 31, 2021	December 31, 2020
Prepaid voyage costs	$ 2,829	$ 284
Inventories	21,072	6,267
Claims receivable	5,568	633
Other	3,651	899
Total prepaid expenses and other current assets	**$ 33,120**	**$ 8,083**

Inventories are comprised of bunkers, lubricants and stores remaining on board as of December 31, 2021.

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

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2018	**$ 1,360,231**	**$ (316,981)**	**$ 1,043,250**
Additions/ (Depreciation)	113,391	(52,088)	61,303
Disposals	(5,696)	81	(5,615)
Vessels impairment loss	(97,170)	60,490	(36,680)
Balance December 31, 2019	**$ 1,370,756**	**$ (308,498)**	**$ 1,062,258**
Additions/ (Depreciation)	110,416	(54,884)	55,532
Disposals	(5,233)	158	(5,075)
Vessels impairment loss	(161,199)	89,622	(71,577)
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**

During the years ended December 31, 2021 and 2020, the Company capitalized certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, amounted to $11,408 and $3,366, respectively, and are presented under the caption “Acquisition of/ additions to vessels, net of cash acquired” in the Consolidated Statements of Cash Flows (see Note 18 — Transactions with related parties and affiliates).

Acquisition of Vessels

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 18 – 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 18 — 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 18 — 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 18 — Transactions with related parties and affiliates).

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012 built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012 built Panamax 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 18 — 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.

2020

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51,000 (see Note 18 — Transactions with related parties and affiliates).

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of $56,050 in total, following the liquidation of Navios Europe II (see Note 18 — Transactions with related parties and affiliates).

2019

On December 16, 2019, Navios Partners acquired four drybulk vessels, from an entity affiliated with the Company's Chairwoman and CEO, for a fair value of $40,379, in total, through bank financing of $37,000 (see Note 18 — Transactions with related parties and affiliates).

On December 13, 2019, Navios Partners acquired three Sub-Panamax and two Panamax Containerships for a fair value of $56,083, in total, following the liquidation of Navios Europe I (see Note 18 — Transactions with related parties and affiliates).

Sale of Vessels

2021

On October 29, 2021, Navios Partners sold the Navios Altair I, a 2006-built Panamax vessel of 74,475 dwt, to an unrelated third party for a net sales price of $13,465. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of $29, amounted to $10,189 as at the date of the sale.

On August 16, 2021, Navios Partners sold the Harmony N, a 2006-built Containership of 2,824 TEU, to an unrelated third party for a net sales price of $28,420.

On August 13, 2021, Navios Partners sold the Navios Azalea, a 2005-built Panamax vessel of 74,759 dwt, to an unrelated third party for a net sales price of $12,610. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of $777, amounted to $10,137 as at the date of the sale.

On July 31, 2021, Navios Partners sold the Navios Dedication, a 2008-built Containership of 4,250 TEU to an unrelated third party for a net sales price of $33,893.

On March 25, 2021, the Company sold the Joie N, a 2011-built Ultra-Handymax vessel of 56,557 dwt, to an unrelated third party, for a net sales price of $8,190.

On February 10, 2021, the Company sold the Castor N, a 2007-built Containership of 3,091 TEU to an unrelated third party for a net sales price of $8,869.

On January 28, 2021, the Company sold the Solar N, a 2006-built Containership of 3,398 TEU to an unrelated third party for a net sales price of $11,074.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

On January 13, 2021, the Company sold the Esperanza N, a 2008-built Containership of 2,007 TEU to an unrelated third party for a net sales price of $4,559.

Following the sale of the 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.

2020

On December 10, 2020, Navios Partners sold the Navios Soleil to an unrelated third party for a net sales price of $8,183. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry dock and special survey cost of $3,108, amounted to $18,163 as at the date of sale. Following the impairment loss of $9,980, recognized as of December 31, 2020, no loss on sale occurred upon the sale of the vessel.

2019

On April 23, 2019, Navios Partners sold the Navios Galaxy I to an unrelated third party, for a net sales price of $5,978. Following the impairment loss of $7,345 recognized as of March 31, 2019, no loss on sale occurred upon the sale of the vessel.

Vessels impairment loss

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.

2020

In November 2020, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Castor N for a net sales price of $8,869. The 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, 2020. As of December 31, 2020, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $2,026 has been recognized under the caption "Vessels impairment loss" in the Consolidated Statements of Operations as of December 31, 2020.

In October 2020, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Esperanza N for a net sales price of $4,559. The 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, 2020. As of September 30, 2020, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $1,780 has been recognized under the caption "Vessels impairment loss" in the Consolidated Statements of Operations as of December 31, 2020. The vessel was sold on January 13, 2021.

2019

On March 21, 2019, Navios Partners entered into a Memorandum of Agreement with an unrelated third party for the sale of the Navios Galaxy I for a net sales price of $5,978. The 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 March 31, 2019. As of March 31, 2019, the Company had a current expectation that the vessel would be sold before the end of its previously estimated useful life, and as a result performed an impairment test of the specific asset group. An impairment loss of $7,345 has been recognized under the caption "Vessels impairment loss" in the Consolidated Statements of Operations as of December 31, 2019. The vessel was sold on April 23, 2019.

NOTE 8 – INTANGIBLE ASSETS AND LIABILITIES

Intangible assets as of December 31, 2021 and December 31, 2020 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Favorable lease terms December 31, 2018	**$ 83,716**	**$ (79,384)**	**$ 4,332**
Additions/ (Amortization)	—	(1,166)	(1,166)
Favorable lease terms December 31, 2019	**$ 83,716**	**$ (80,550)**	**$ 3,166**
Additions/ (Amortization)	—	(1,166)	(1,166)
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**

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Amortization expense of favorable lease terms for each of the years ended December 31, 2021, 2020 and 2019 is presented in the following table:

	Year Ended		
	December 31, 2021	**December 31, 2020**	**December 31, 2019**
Favorable lease terms	$ (13,716)	$ (1,166)	$ (1,166)
Total	**$ (13,716)**	**$ (1,166)**	**$ (1,166)**

The aggregate amortization of the intangibles for the years ending December 31, is estimated to be as follows:

Year	**Amount**
2022	$ 21,836
2023	18,156
2024	18,120
2025	14,251
2026 and thereafter	28,059
Total	**$ 100,422**

Intangible assets subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. The weighted average useful lives are 6.1 years for the remaining favorable lease terms, at inception.

Intangible liabilities as of December 31, 2021 and December 31, 2020 consisted of the following:

	Cost	**Accumulated Amortization**	**Net Book Value**
Unfavorable lease terms December 31, 2020	**$ —**	**$ —**	**$ —**
Additions/ (Amortization)	231,019	(108,538)	122,481
Unfavorable lease terms December 31, 2021	**$ 231,019**	**$ (108,538)**	**$ 122,481**

Amortization income of unfavorable lease terms for each of the years ended December 31, 2021, 2020 and 2019 is presented in the following table:

	Year Ended		
	December 31, 2021	**December 31, 2020**	**December 31, 2019**
Unfavorable lease terms	$ 108,538	$ —	$ —
Total	**$ 108,538**	**$ —**	**$ —**

The aggregate amortization of the intangible liabilities for the 12-month periods ending December 31 is estimated to be as follows:

Year	**Amount**
2022	$ 68,142
2023	25,889
2024	13,184
2025	11,680
2026 and thereafter	3,586
Total	$ **122,481**

Intangible liabilities subject to amortization are amortized using straight line method over their estimated useful lives to their estimated residual value of zero. The weighted average useful lives are 2.7 years for the remaining unfavorable lease terms.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

NOTE 9 – ACCOUNTS PAYABLE

Accounts payable as of December 31, 2021 and 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Creditors	$ 10,614	$ 2,684
Brokers	6,828	2,786
Professional and legal fees	3,620	829
Total accounts payable	**$ 21,062**	**$ 6,299**

NOTE 10 – ACCRUED EXPENSES

Accrued expenses as of December 31, 2021 and 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Accrued voyage expenses	$ 5,666	$ 1,436
Accrued loan interest	3,329	1,738
Accrued legal and professional fees	3,894	1,607
Total accrued expenses	**$ 12,889**	**$ 4,781**

As of December 31, 2021 and December 31, 2020, the amount of $320 and $630, respectively, was included in accrued legal and professional fees that was authorized and approved by the Compensation Committee of Navios Partners in December 2021 and 2020 to the directors and officers of the Company, subject to fulfillment of certain service conditions that were provided and completed as of December 31, 2021, and as of December 31, 2020, respectively. The total amount of $5,738, $4,970 and $4,645 was recorded in general and administrative expenses in the statements of operations for the years ended December 31, 2021, 2020 and 2019, respectively, and comprised of compensation authorized to the directors and officers of the Company.

NOTE 11 – BORROWINGS

Borrowings as of December 31, 2021 and December 31, 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Credit facilities	$ 825,267	$ 427,287
Financial liabilities	549,178	63,882
Total borrowings	**$ 1,374,445**	**$ 491,169**
Less: Current portion of long-term borrowings, net	(255,137)	(201,835)
Less: Deferred finance costs, net	(12,736)	(4,312)
Long-term borrowings, net	**$ 1,106,572**	**$ 285,022**

As of December 31, 2021, the total borrowings, net of deferred finance costs under the Navios Partners' credit facilities were $1,361,709.

Term Loan B Facility: On March 14, 2017, Navios Partners completed the issuance of a $405,000 Term Loan B Facility. The Term Loan B Facility bore an interest rate of LIBOR plus 500 bps, it was set to mature on September 14, 2020 and was repayable in equal quarterly installments of 1.25% of the initial principal amount. Navios Partners used the net proceeds of the Term Loan B Facility to: (i) refinance a Term Loan B Facility existing at the time; and (ii) pay fees and expenses related to the Term Loan B. On August 10, 2017, Navios Partners completed the issuance of a $53,000 add-on to the Term Loan B Facility. The add-on to the Term Loan B Facility bore the same terms as the Term Loan B Facility. Navios Partners used the net proceeds to partially finance the acquisition of three vessels.

During the year ended December 31, 2018, four drybulk vessels were released from security of the Term Loan B Facility and in exchange, five drybulk vessels and $2,000 in cash substituted the released vessels, as collateral to the Term Loan B Facility. In April and May 2019, Navios Partners prepaid $73,478 and released five vessels from the collateral package of the Term Loan B Facility. In August 2019, Navios Partners prepaid $85,500 and released five vessels from the collateral package of the Term Loan B Facility. On October 10, 2019, Navios Partners fully prepaid the Term Loan B Credit Facility's outstanding balance of $253.8 million initially repayable on September 14, 2020. Following the prepayments, an amount of $1,973 and $4,101 was written off from the deferred fees and discount, respectively, and presented under the caption “Interest expense and finance costs” in the Consolidated Statement of Operations.

BNP PARIBAS Credit Facilities: On June 26, 2017, Navios Partners entered into a credit facility with BNP PARIBAS of up to $32,000 (divided into two tranches) in order to partially finance the acquisition of the Navios Ace and the Navios Sol. On June 28, 2017, the first tranche of credit facility of $17,000 was drawn. On July 18, 2017, the second tranche of credit facility of $15,000 was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the first tranche in the amount of $15,070. Following this repayment, an amount of $117 was written-off from the deferred finance fees. On April 9, 2019, Navios Partners amended the existing credit facility, in order to refinance two vessels and replace the existing collateral under the credit facility. The facility matured in the third quarter of 2021 and bore interest at LIBOR plus 300 bps per annum. In May 2021, the outstanding balance of the loan amounting to $7,377 was prepaid and refinanced.

On April 28, 2021, Navios Partners entered into new 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. As of December 31, 2021, the remaining outstanding balance was $37,143 and is repayable in 14 equal consecutive quarterly installments of $1,429 each, with a final balloon payment of $17,140 to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

DVB Credit Facilities: On July 31, 2018, Navios Partners entered into a credit facility with DVB Bank S.E. of up to $44,000 (divided into two tranches) in order to finance the acquisition of the Navios Sphera and the Navios Mars. The amounts of $17,500 and $26,500 were drawn on August 30, 2018. Pursuant to the supplemental letter dated March 30, 2021, the repayment was amended. As of December 31, 2021, the remaining outstanding balance of the DVB credit facility was $33,633 and is repayable in four consecutive quarterly installments of $798 each, with a final balloon payment of $30,443 to be repaid on the last repayment date. The facility matures in the fourth quarter 2022 and bears interest at LIBOR plus 290 bps per annum.

On February 12, 2019, Navios Partners entered into a credit facility with DVB Bank S.E. of up to $66,000 (divided into four tranches) in order to refinance the DVB credit facility dated June 28, 2017 and three capesize vessels previously included in the Term Loan B collateral package. On April 15, 2019, Navios Partners drew the two tranches of $15,675 each. On October 10, 2019, Navios Partners drew the two additional tranches of $14,820 each. Pursuant to the supplemental letter dated March 30, 2021, as of December 31, 2021 the remaining outstanding balance of the facility was $41,593 and is repayable in five consecutive quarterly installments of $1,859 each, with a final balloon payment of $32,297, to be repaid on the last repayment date. The facility matures in the first quarter of 2023 and bears interest at LIBOR plus 260 bps per annum.

HCOB Credit Facilities: On September 26, 2019, Navios Partners entered into a new credit facility with Hamburg Commercial Bank AG of up to $140,000 in order to refinance eight drybulk vessels and five Containerships, previously included in the Term Loan B collateral package. On October 10, 2019, the amount of $140,000 of credit facility was drawn. The facility matured in the third quarter of 2021 and bore interest at LIBOR plus 320 bps per annum. In June 2021, the outstanding balance of the loan amounting to $107,750 was prepaid and refinanced.

On May 11, 2021, Navios Partners entered into a new credit facility with Hamburg Commercial Bank for a total amount of up to $160,000, in order to: (i) refinance its existing HCOB credit facility dated September 26, 2019; (ii) refinance the existing facility of one dry bulk vessel; and (iii) to partially finance the acquisition of one dry bulk vessel. On June 8, 2021, the full amount of the credit facility was drawn. In October 2021, following the sale of one 2006-built panamax vessel, the amount of $3,836 was prepaid. Following the partial prepayment, as of December 31, 2021, the outstanding balance of the credit facility was $143,820 and is repayable in six consecutive quarterly installments of $6,094 each and eight consecutive quarterly installments of $3,656 each, with a final balloon payment of $78,004 to be repaid on the last repayment date. The facility matures in the second quarter of 2025, bears interest at LIBOR plus 310 bps per annum.

Hellenic Bank Credit Facility: On June 25, 2020, the Company entered into a new credit facility with Hellenic Bank Public Company Limited in order to partially refinance the ABN credit facility dated December 12, 2019, relating to four of the containerships acquired from Navios Europe I, of up to $17,000. In the first quarter of 2021, following the sale of a 2006-built Containership of 3,398 TEU and a 2007-built Containership of 3,091 TEU, an aggregate amount of $7,893 was prepaid. On April 23, 2021, Navios Partners extended the credit facility with Hellenic Bank Public Company Limited dated June 25, 2020 for an amount of $8,850 in order to partially finance the acquisition of one containership from Navios Acquisition. On April 28, 2021, the amount of $8,850 was drawn. In August 2021, following the sale of one 2006-built containership of 2,824 TEU, the amount of $3,998 was prepaid. In October 2021, an additional amount of $468 was prepaid. As of December 31, 2021, the remaining outstanding balance was $10,094 and is repayable in two consecutive quarterly installments of $858 each, two consecutive quarterly installments of $437 each, seven consecutive quarterly installments of approximately $296 each and one quarterly installment of approximately $437 with a final balloon payment of $4,993 to be repaid on the last repayment date. The credit facility matures in the fourth quarter of 2024 and bears interest at LIBOR plus a margin ranging from 300 bps to 350 bps per annum.

Nordea/Skandinaviska Enskilda/NIBC Credit Facilities: On March 26, 2018, Navios Partners entered into a new credit facility with Nordea Bank AB, Skandinaviska Enskilda BanKen AB and NIBC Bank N.V. of up to $14,300 (divided into two tranches) in order to partially finance the acquisition of the Navios Symmetry and the Navios Altair I. On May 18, 2018, the first tranche of the credit facility of $7,150 was drawn. On June 1, 2018 the second tranche of the March 2018 credit facility of $7,150 was drawn. On December 13, 2018, Navios Partners repaid the outstanding balance of the second tranche in the amount of $6,554. Following this repayment, an amount of $95 was written-off from the deferred finance fees. As of December 31, 2021, the outstanding balance of the credit facility was $2,978 and is repayable in six equal consecutive quarterly installments of $298 each, with a final balloon payment of $1,190 to be repaid on the last repayment date. The facility matures in the second quarter of 2023 and bears interest at LIBOR plus 300 bps per annum.

On December 28, 2018, Navios Partners entered into a new credit facility with NIBC Bank N.V. 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. As of December 31, 2021, the outstanding balance of the credit facility was $18,873 and is repayable in eight consecutive quarterly installments of $751 each, with a final balloon payment of $12,862 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2023 and bears interest at LIBOR plus 275 bps per annum.

ABN Credit Facilities: On December 12, 2019, the Company entered into a new credit facility with ABN Amro Bank N.V. of up to $23,500 in order to finance the acquisition of the five container vessels from Navios Europe I which had subsequently been refinanced from Hellenic Bank Public Company Limited in June 2020. On September 30, 2020, the Company entered into a second supplemental agreement with ABN Amro Bank N.V., to extend the terms of the then outstanding balance. The credit facility matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to February 28, 2021 and 600 bps per annum up to maturity date. In January 13, 2021, the outstanding balance of the loan amounting to $3,369 was fully repaid.

On June 26, 2020, the Company entered into a new credit facility with ABN Amro Bank N.V. of up to $32,200 in order to finance the acquisition of the five drybulk vessels acquired from Navios Europe II. In March 2021, following the sale of one 2011-built Ultra-Handymax vessel of 56,557 dwt, the amount of $4,581 was prepaid. The facility matured in the second quarter of 2021 and bore interest at LIBOR plus 400 bps per annum up to December 31, 2020 and 425 bps per annum up to maturity date. In June 2021, the outstanding balance of the loan amounting to $21,525 was prepaid and refinanced.

DORY Credit Facility: On December 16, 2019, the Company entered into a credit facility with Dory Funding DAC of up to $37,000 in order to finance the acquisition of four drybulk vessels. The facility was scheduled to mature in the third quarter of 2022 and bore interest at LIBOR plus 475 bps per annum for the first twelve-month period after the utilization date, 600 bps for the following twelve-month period and 700 bps for the period commencing 24 months after the utilization date through the termination date. On January 25, 2021, an amount of $9,500 was repaid under the facility for the release of one handymax vessel. In June 2021, the outstanding balance of the loan amounting to $24,975 was prepaid and refinanced.

NBG Credit Facility: On June 17, 2021, Navios Partners entered into a new 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. As of December 31, 2021, the remaining outstanding balance was $34,401 and is repayable in two consecutive quarterly installments of $1,290 each followed by 16 consecutive quarterly installments of $1,075 each, together with a final balloon payment of $14,620 to be paid on the last repayment date. The facility matures in the second quarter of 2026 and bears interest at LIBOR plus 300 bps per annum.

DNB BANK ASA Credit Facilities: On April 5, 2019, Navios Partners entered into a new credit facility with DNB Bank ASA of up to $40,000 (divided into two tranches) in order to refinance two Capesize vessels, previously included in the Term Loan B collateral package. On October 10, 2019, the two tranches of the credit facility of $34,350 were drawn. The facility was scheduled to mature in the second quarter of 2024 and bore interest at LIBOR plus 275 bps per annum. In December 2021, the outstanding balance of the loan amounting to $26,710 was prepaid and refinanced and the vessels were released from the facility.

On August 19, 2021, Navios Partners entered into a new 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, 2021, the remaining outstanding balance was $17,360 and is repayable in 19 consecutive quarterly installments of $640 each together with a final balloon payment of $5,200 to be paid on the last repayment date. The facility matures in the third quarter of 2026 and bears interest at LIBOR plus 285 bps per annum.

On December 13, 2021, Navios Partners entered into a new 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. As of December 31, 2021, the total outstanding balance was $72,710 and is repayable in 19 consecutive quarterly installments of $2,230 each following a final balloon payment of $30,340 to be paid on the last repayment date. The facility matures in the fourth quarter of 2026 and bears interest at LIBOR 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).

CACIB Credit Facilities: On July 4, 2019, Navios Partners entered into a new 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 new sale and leaseback agreement of $15,000 for the released vessel (see also Financial Liabilities below). As of December 31, 2021, the remaining outstanding balance of the credit facility was $26,496 and is repayable in seven consecutive six-month installments of $2,300 each, with a final balloon payment of $10,396 to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 275 bps per annum.

On September 28, 2020, the Company entered into a credit facility with CACIB, of up to $33,000 in order to finance the acquisition of the two drybulk vessels acquired from Navios Holdings. The facility was drawn in full on September 30, 2020 and bore interest at LIBOR plus 325 bps per annum. In March 30, 2021, the outstanding balance of the loan amounting to $32,150 was prepaid and refinanced.

On March 23, 2021, Navios Partners entered into a new 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. As of December 31, 2021, the remaining outstanding balance was $52,400 is repayable in 17 consecutive quarterly installments of $1,600 each, together with a final balloon payment of $25,200 to be repaid on the last repayment date. The credit facility matures in the first quarter of 2026 and bears interest at LIBOR plus 300 bps per annum.

Upon completion of the NMCI Merger, Navios Partners assumed the following credit facilities:

ABN AMRO BANK N.V Facility: On December 3, 2018, Navios Containers entered into a facility agreement with ABN AMRO for an amount of up to $50,000 divided into two tranches: (i) the first tranche is for an amount of up to $41,200 in order to refinance the outstanding debt of four containerships and to partially finance the acquisition of one containership; and (ii) the second tranche is for an amount of up to $8,800 in order to partially finance the acquisition of one containership. This loan bears interest at a rate of LIBOR plus 350 bps. Navios Containers drew the entire amount under this facility, net of the loan's discount of $500 in the fourth quarter of 2018. On June 28, 2019, Navios Containers entered into a supplemental agreement with ABN AMRO, under which Navios Containers made a partial prepayment of the loan in the aggregate amount of $9,400 and two containerships were released from the facility. In December 2021, following an additional supplemental agreement with the ABN AMRO, the Company made a partial prepayment of the loan in the aggregate amount of $2,000 and three containerships were released from the facility. As of December 31, 2021, the remaining outstanding balance of the credit facility was $13,050 and is repayable in four equal consecutive quarterly installments of $750 each, with a final balloon payment of $10,050 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2022 and bears interest at LIBOR plus 350 bps per annum.

BNP Paribas Facility: 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. As of December 31, 2021, the remaining outstanding balance of the credit facility was $30,469 and is repayable in ten equal consecutive quarterly installments of approximately $1,693 each, with a final balloon payment of $13,542 to be repaid on the last repayment date. The loan bears interest at a rate of LIBOR plus 300 bps and matures in the second quarter of 2024.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following credit facilities:

8 1/8% First Priority Ship Mortgages: On August 26, 2021, Navios Acquisition called for redemption all of its outstanding 8 1/8% First Priority Ship Mortgages ("Ship Mortgage Notes") by delivery of a redemption notice to the registered holders of the Ship Mortgage Notes and remitted to the indenture trustee the aggregate redemption price payable to the holders of the Ship Mortgage Notes to satisfy and discharge Navios Acquisition's obligations under the indenture relating to the Ship Mortgage Notes. Navios Acquisition funded the approximately $397,478 aggregate redemption price with net proceeds from (i) the sale by Navios Acquisition pursuant to the NNA Merger (in reliance on the exemption from registration provided for under Section 4(a)(2) of the Securities Act) of 44,117,647 shares of Navios Acquisition common stock to Navios Partners for an aggregate purchase price of $150,000, and borrowings under the Hamburg Commercial Bank AG facility dated in August 2021 and BNP Paribas S.A. Bank facility dated in August 2021. The Ship Mortgage Notes were redeemed in full on September 25, 2021.

DVB Bank S.E. and Credit Agricole Corporate and Investment Bank: On December 29, 2011, Navios Acquisition entered into a loan agreement with DVB Bank SE and Credit Agricole Corporate and Investment Bank of up to $56,250 (divided into two tranches of $28,125 each) to partially finance the purchase price of two MR2 product tanker vessels. Each tranche of the facility was repayable in 32 quarterly installments of $391 each with a final balloon payment of $15,625 to be repaid on the last repayment date. The repayment started three months after the delivery of the respective vessel and bore interest at a rate of LIBOR plus: (a) up to but not including the drawdown date, 175 bps per annum; (b) thereafter until, but not including, the tenth repayment date, 250 bps per annum; and (c) thereafter 300 bps per annum. On December 15, 2021, the outstanding balance of the loan amounting to $33,594 was prepaid and refinanced.

BNP Paribas S.A. Bank Facilities: On December 18, 2015, Navios Acquisition, through certain of its wholly owned subsidiaries, entered into a term loan facility agreement of up to $44,000 with BNP Paribas, as agent and the lenders named therein, for the partial post-delivery financing of a LR1 product tanker and a MR2 product tanker. The credit facility was repayable in 12 equal consecutive semi-annual installments in the amount of $2,000 each, with a final balloon payment of $20,000 repaid on the last repayment date. The loan matured in December 2021. The loan bore interest at LIBOR plus 230 bps per annum. In December 2021, the outstanding balance of the loan amounting to $22,000 was fully repaid.

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. Following the amendment, as of December 31, 2021, the remaining outstanding balance of the credit facility was $91,375 and is repayable in 15 equal consecutive quarterly installments in the amount of $5,000 each, with a final balloon payment of $16,375 to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

Hamburg Commercial Bank AG Facilities: In June 2017, Navios Acquisition entered into a loan facility for an amount of $24,000 to refinance the credit facility with ABN AMRO Bank N.V. of its two chemical tankers. The facility was repayable in 17 equal consecutive quarterly installments of $572 each, with a final balloon payment of the balance to be repaid on the last repayment date. The facility was scheduled to mature in September 2021 and bore interest at LIBOR plus 300 bps per annum. In August 2021, the outstanding balance of the loan amounting to $14,847 was prepaid and refinanced.

In October 2019, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG of up to $31,800 in order to refinance the existing facility of one VLCC. The facility was repayable in four quarterly installments of $846 each with a final balloon payment of $28,416 repayable on the last repayment date. The facility was expected to mature in October 2020 and bore interest at LIBOR plus 280 bps per annum. In October 2020, Navios Acquisition extended the maturity date of the loan to October 2024. The remaining balance of the facility was repayable in 16 quarterly installments of $846 each with a final balloon payment of $14,880 repayable on the last repayment date and bore interest at LIBOR plus 390 bps per annum. In August 2021, the outstanding balance of the loan amounting to $25,878 was prepaid and refinanced.

In August 2021, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG 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. Following the amendment and as of December 31, 2021, the remaining outstanding balance of the credit facility was $182,872 and is repayable in ten quarterly installments of $7,343 each, and four quarterly installments of $4,518 each, with a final balloon payment of $91,367, to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 295 bps per annum.

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. As of December 31, 2021, the remaining outstanding balance of the credit facility was $16,000 and is repayable in ten quarterly installments of $800 each with a final balloon payment of $8,000 repayable on the last repayment date. The facility matures in the second quarter of 2024 and bears interest at LIBOR plus 300 bps per annum.

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. Navios Partners is obligated to make 69 and 60 consecutive monthly payments, respectively, of approximately $161 and $155 each, respectively, commencing in December 2018. As of December 31, 2021, the outstanding balance under the sale and leaseback agreements of the Navios Fantastiks and the Navios Beaufiks was $18,520 in total. The agreements mature in the third quarter of 2024 and fourth quarter of 2023, respectively, with a purchase obligation of $6,300 per vessel on the last repayment date.

On April 5, 2019, the Company entered into a new 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. Navios Partners is obligated to make 120 consecutive monthly payments of approximately $190 each that commenced in April 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Sol was $16,843. The agreement matures in the second quarter of 2029, with a purchase obligation of $6,300 on the last repayment date.

On June 7, 2019, the Company entered into a new sale and leaseback agreement of $7,500, with unrelated third parties for the Navios Sagittarius, a 2006-built Panamax vessel of 75,756 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, 2019, the amount of $7,500 was drawn. Navios Partners is obligated to make 36 consecutive monthly payments of approximately $178 each that commenced in June 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Sagittarius was $2,820. The agreement matures in the second quarter of 2022, with a purchase obligation of $2,000 on the last repayment date.

On July 2, 2019, the Company entered into a new 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. Navios Partners is obligated to make 132 consecutive monthly payments of approximately $198 each that commenced in July 2019. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Ace was $19,113. The agreement matures in the third quarter of 2030, with a purchase obligation of $6,300 on the last repayment date.

In June 2021, the Company entered into a new 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. Navios Partners is obligated to make 72 consecutive monthly payments of approximately $192 that commenced in June 2021. The agreement matures in the second quarter of 2027, with a purchase obligation of $5,000 on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Bonavis was $14,148.

In June 2021, the Company entered into a new 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. Navios Partners is obligated to make 108 consecutive monthly payments of approximately $186 each that commenced in June 2021. The agreement matures in the second quarter of 2030, with a purchase obligation of $5,000 on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Ray was $17,784.

On August 16, 2021, the Company entered into a new 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. Navios Partners is obligated to make 72 consecutive monthly payments of approximately $192 each that commenced in August 2021. The agreement matures in the third quarter of 2027, with a purchase obligation of $5,000 on the last repayment date. As of December 31, 2021, the outstanding balance under the sale and leaseback agreement of the Navios Pollux was $14,394.

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. Following the prepayment, Navios Containers is obligated to make 28 monthly payments in respect of all 13 vessels ranging from $254 to $797 each. Navios Containers also has an obligation to purchase the vessels at the end of the fifth year for $41,850. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was $57,135.

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. Navios Containers also has an obligation at maturity to purchase: (i) the two 10,000 TEU containerships for $25,500 in the aggregate; and (ii) the two 8,204 TEU containerships for $18,000 in the aggregate. The sale and leaseback agreement: (i) is repayable in 28 quarterly installments of $2,010 each, in the aggregate, matures in March 2027 and bears interest at LIBOR plus 310 bps per annum for the two 10,000 TEU containerships; and (ii) is repayable in 20 quarterly installments of: (a) $16.0 per day, in the aggregate, for the first eight installments; and (b) $6.9 per day, in the aggregate, for the remaining 12 installments, matures in March 2025 and bears interest at LIBOR plus 335 bps per annum for the two 8,204 TEU containerships. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was $94,747.

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 the Company 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, the Company drew $71,500 under this agreement. The agreement will be repayable in 24 equal consecutive quarterly installments of approximately $1,490 each, with a repurchase obligation of $35,750 on the last repayment date. The sale and leaseback agreement matures in April 2024 and bears interest at LIBOR plus 305 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was $49,156.

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 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. Following a prepayment made in April 2021, the agreements will be repayable in 17 equal consecutive quarterly installments of $2,267 each, followed by one quarterly installment of $1,369, with a purchase obligation of $33,975 to be repaid on the last repayment date. The sale and leaseback agreements mature in March and April 2026 respectively, and bear interest at LIBOR plus 350 bps per annum. As of December 31, 2021, the outstanding balance under these agreements was $73,886.

In August 2019, Navios Acquisition entered into an additional sale and leaseback agreement of $15,000, with unrelated third parties in order to refinance one product tanker. Navios Acquisition has a purchase option in place and an assessment has been performed indicating that the likelihood of the vessel remaining in the property of the lessor at the end of the lease term is remote. In such a case, the buyer-lessor does not obtain control of the vessel and under ASC 842-40, the transaction was determined to be a failed sale. Navios Acquisition is obligated to make 60 consecutive monthly payments of approximately $156, commencing as of August 2019, with a purchase obligation of $5,625 to be repaid on the last repayment date. The agreement matures in August 2024 and bears interest at LIBOR plus an implied margin of 380 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was $10,469.

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. Following a prepayment made in April 2021, the agreements will be repaid through periods ranging from four to seven years in consecutive quarterly installments of up to $1,362 each, with a purchase obligation of $17,950 to be repaid on the last repayment date. The agreements mature in September 2023 and September 2026 and bear interest at LIBOR plus a margin ranging from 350 bps to 360 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under this agreement was $33,709.

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 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 will be repaid through periods ranging from three to eight years in consecutive quarterly installments of up to $2,827 each, with a repurchase obligation of up to $25,810 in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 335 bps to 355 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under these agreements was $68,198.

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 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. Following a prepayment made in April 2021, the agreements will be repaid through periods ranging from four to seven years in consecutive quarterly installments of up to $1,791 each, with a repurchase obligation of up to $23,913 in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 390 bps to 410 bps per annum, depending on vessel financed. As of December 31, 2021, the outstanding balance under the agreements was $58,256.

As of December 31, 2021, the security deposits under certain sale and leaseback agreements were $10,078, and are presented under “Other long-term assets” in the Consolidated Balance Sheets.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Amounts drawn of the credit facilities are secured by first preferred mortgages on certain Navios Partners' vessels and other collateral and are guaranteed by the respective vessel-owning subsidiaries. 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 relating 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 105% 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) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth ranging from $30,000 to $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, 2021, 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 4.1%, 4.5% and 6.7% for the years ended December 31, 2021, 2020 and 2019, respectively.

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, 2021, based on the repayment schedules of the respective credit facilities and financial liabilities (as described above).

Year		Amount
2022	$	260,200
2023		284,903
2024		224,023
2025		328,527
2026		162,121
2027 and thereafter		114,671
Total	**$**	**1,374,445**

NOTE 12 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value 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 investments.

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 investments.

Amounts due from related parties, short-term: The carrying amount of due from related parties, short-term reported in the Consolidated Balance Sheets approximates its fair value due to the short-term nature of these receivables.

Amounts due from related parties, long-term: The carrying amount of due from related parties long-term reported in the balance sheet approximates its fair value due to the long-term nature of these receivables.

Notes receivable, net of current portion: The carrying amount of the fixed rate notes receivable approximates its fair value.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

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.

Long-term borrowings, 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 loans and financial liabilities continues to approximate its fair value, excluding the effect of any deferred finance costs.

The estimated fair values of the Navios Partners' financial instruments are as follows:

	December 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 159,467	$ 159,467	$ 19,303	$ 19,303
Restricted cash	$ 9,979	$ 9,979	$ 11,425	$ 11,425
Amounts due from related parties, short-term	$ —	$ —	$ 5,000	$ 5,000
Amounts due from related parties, long-term	$ 35,245	$ 35,245	$ —	$ —
Amounts due to related parties, short-term	$ (64,204)	$ (64,204)	$ (35,979)	$ (35,979)
Notes receivable, net of current portion	$ —	$ —	$ 8,013	$ 8,013
Long-term borrowings, including current portion, net	$ (1,361,709)	$ (1,374,445)	$ (486,857)	$ (491,169)

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, 2021 and December 31, 2020.

	Fair Value Measurements as at December 31, 2021			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 159,467	$ 159,467	$ —	$ —
Restricted cash	$ 9,979	$ 9,979	$ —	$ —
Amounts due from related parties, long-term	$ 35,245	$ —	$ 35,245	$ —
Amounts due to related parties, short-term	$ (64,204)	$ —	$ (64,204)	$ —
Long-term borrowings, net [1]	$ (1,374,445)	$ —	$ (1,374,445)	$ —

	Fair Value Measurements as at December 31, 2020			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 19,303	$ 19,303	$ —	$ —
Restricted cash	$ 11,425	$ 11,425	$ —	$ —
Amounts due from related parties, short-term	$ 5,000	$ —	$ 5,000	$ —
Notes receivable, net of current portion[2]	$ 8,013	$ —	$ 8,013	$ —
Amounts due to related parties, long-term	$ (35,979)	$ —	$ (35,979)	$ —
Long-term borrowings, net[1]	$ (491,169)	$ —	$ (491,169)	$ —

(1) The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account its creditworthiness.

(2) The fair value is estimated based on currently available information on the Company's counterparty with similar contract terms, interest rate and remaining maturities.

As of December 31, 2021, there were no assets measured at fair value on a non-recurring basis.

As of December 31, 2020, the Company's assets measured at fair value on a non-recurring basis were:

	Fair Value Measurements as at December 31, 2020			
	Total	Level I	Level II	Level III
Vessels, net	$ 62,789	$ 13,428	$ 49,361	$ —

NOTE 13 – ISSUANCE OF UNITS

On May 21, 2021, Navios Partners entered into a new 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 has issued 3,963,249 units and received net proceeds of $103,691. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were approximately $2,172.

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 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 has issued 2,437,624 units and received net proceeds of $73,117. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were approximately $1,530.

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 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 commencement of sales pursuant to the amended Sales Agreement, Navios Partners has issued 1,286,857 units and received net proceeds of $23,918. No additional sales will be made under this program. 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. The net proceeds from the issuance of the general partnership units were $501.

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 partner units, resulting in net proceeds of $3,911 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

Pursuant to the terms of the NNA merger agreement, each outstanding common unit of Navios Containers 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 partner units, resulting in net proceeds of $1,893 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

On April 25, 2019, Navios Partners announced that its Board of Directors had approved 1-for-15 reverse stock split of its issued and outstanding shares of common units and general partner units. The reverse stock split was effective on May 21, 2019 and the common units commenced trading on such date on a split adjusted basis.

In January 2019, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to $50,000 of the Company's common units over a two year period. 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 Navios Partners' discretion and without notice. Repurchases were subject to restrictions under Navios Partners' credit facilities. As of December 31, 2021, since the commencement of the common unit repurchase program, Navios Partners had repurchased and cancelled 312,952 common units on a split adjusted basis, for a total cost of approximately $4,499. There were no repurchases during the year ended December 31, 2021, and the program expired in January 2021.

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 $18, $35 and $0 for the years ended December 31, 2021, 2020 and 2019, 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, 2021 and 2020.

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, 2021, 2020 and 2019, amounted to $63, $116 and to $190 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, 2021, 2020 and 2019.

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 $187, $348 and $669 for the years ended December 31, 2021, 2020 and 2019 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, 2021, 2020 and 2019.

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 $186, $447 and $833 for the years ended December 31, 2021, 2020 and 2019, 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, 2021, 2020 and 2019.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

The effect of compensation expense arising from the restricted common units granted in December 2016, amounted to $325 for the year ended December 31, 2019 and was presented under the caption "General and administrative expenses" in the Consolidated Statements of Operations.

Following the NNA Merger, Navios Partners assumed the following granded 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 for the year ended December 31, 2021 amounted to $32, 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, 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 for the year ended December 31, 2021 amounted to $37, 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, 2021.

As of December 31, 2021, the estimated compensation cost relating to service conditions of non-vested restricted common units granted in 2017, 2018 and 2019 not yet recognized was $166.

Restricted common units outstanding and not vested were 42,916 units, on a split adjusted basis, as of December 31, 2021.

NOTE 14 – SEGMENT INFORMATION

ASC 280, "Segment Reporting," establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in financial statements for details on the Company's business segments. The Company uses the "management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker for making operating decisions and assessing performance as the source for determining the Company's reportable segments.

Navios Partners reports financial information and evaluates its operations by charter revenues. Navios Partners does not use discrete financial information to evaluate operating results for each type of charter or by sector. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet as a whole, determining where to allocate resources and drive business forward by examining consolidated results. Thus Navios Partners has determined that it operates under one reportable segment.

The following table sets out operating revenue by geographic region for Navios Partners' reportable segment. Revenue is allocated on the basis of the geographic region in which the customer is located. Drybulk, Containerships and Tankers operate worldwide. Revenues from specific geographic region, which contribute over 10% of total revenue, are disclosed separately.

Revenue by Geographic Region

Vessels operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries.

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Asia	$ 431,631	$ 136,515	$ 119,344
Europe	225,349	71,531	95,542
North America	56,195	18,576	3,118
Australia	—	149	1,375
Total	**$ 713,175**	**$ 226,771**	**$ 219,379**

NOTE 15 – INCOME TAXES

Marshall Islands, Malta and Liberia do not impose a tax on international shipping income. Under the laws of Marshall Islands, Malta, Cayman Islands, Liberia, British Virgin Islands and Hong Kong, the countries of the vessel-owning subsidiaries' incorporation and vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes, which have been included in vessel operating 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.

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 16 – 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.

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 Panamax vessel of 82,011 dwt, delivered on July 24, 2019. 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, 2021, the total amount of $6,485, 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 Panamax 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. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charters. 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, 2021, the total amount of $13,721, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

On January 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract each, from an unrelated third party, three newbuilding Capesize vessels of approximately 180,000 dwt each. Navios Partners has the options to acquire the vessels after the end of year four for the remaining period of the bareboat charters. Navios Partners agreed to pay in total $10,500, representing a deposit for the options to acquire the vessels after the end of the fourth year, of which $5,250 was paid in August 2021 and the remaining amount of $5,250 will be paid upon the delivery of the vessels. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2022 and the first half of 2023. As of December 31, 2021, the total amount of $5,333, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

On March 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total $3,500, representing a deposit for the option to acquire the vessel after the end of the fourth year of which $1,750 was paid in August 2021 and the remaining amount of $1,750 will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the first half of 2023. As of December 31, 2021, the total amount of $1,777, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

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 Panamax vessel, under a ten-year bareboat contract, from an unrelated third party. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the second half of 2022. Navios Partners agreed to pay in total $6,316, of which $3,158 was paid in April 2021 and the remaining amount of $3,158 will be paid during the first quarter of 2022. In December 2021, Navios Partners declared its option to purchase the vessel. As of December 31, 2021, the total amount of $3,158 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

In June 2021, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total $12,000, representing a deposit for the option to acquire the vessel after the end of the fourth year of which $6,000 was paid in September 2021 and the remaining amount of $6,000 will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the second half of 2022. In September 2021, Navios Partners declared its option to purchase the vessel. As of December 31, 2021, the total amount of $6,082, including expenses, is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

On June 30, 2021, Navios Partners agreed to acquire a newbuilding Panamax vessel, from an unrelated third party, for a purchase price of $34,300. The vessel has approximately 81,000 dwt and is expected to be delivered in Navios Partners' fleet during the first half of 2023. Navios Partners agreed to pay in total $34,300, of which $3,430 was paid in July 2021 and the remaining amount of $30,870 will be paid during 2022 and first half of 2023. In January 2022, Navios Partners declared its option to purchase the vessel. As of December 31, 2021, the total amount of $3,430 is presented under the caption "Deposits for vessels acquisitions" in the Consolidated Balance Sheets.

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. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2023 and first 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 August 13, 2021, the first installment of each vessel of $6,160, or $24,640 accumulated for the four vessels, was paid. As of December 31, 2021, the total amount of $24,640 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. As of December 31, 2021, the total amount of $12,320 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 the first and the second half of 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. The closing of the transaction of the two optional containerships is subject to completion of customary documentation.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners assumed the following commitments:

In September 2018, Navios Acquisition agreed to a 12-year bareboat charter-in agreement with de-escalating purchase options for Baghdad and Erbil, two newbuilding Japanese VLCCs of 313,433 dwt and 313,486 dwt, respectively. On October 28, 2020, Navios Acquisition took delivery of the vessel Baghdad. The average daily rate under bareboat charter-in agreement of Baghdad amounts to $21. On February 17, 2021, Navios Acquisition took delivery of the vessel Erbil. The average daily rate under bareboat charter-in agreement of Erbil amounts to $21. As of December 31, 2021, the total amount of $2,685 is presented under the caption "Other long-term assets" in the Consolidated Balance Sheets.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

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 Nave Electron, a newbuilding Japanese VLCC of 313,239 dwt. On August 30, 2021, Navios Partners took delivery of the vessel Nave Electron. The average daily rate under bareboat charter-in agreement of the Nave Electron amounts to $21. As of December 31, 2021, the total amount of $1,942 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 a fourth newbuilding Japanese VLCC of approximately 310,000 dwt under a 12-year bareboat charter agreement with de-escalating purchase options and expected delivery in the second half of 2022. The average daily rate under this bareboat charter-in agreement will amount to $21. As of December 31, 2021, the total amount of $65 is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

As of December 31, 2021, the Company's future minimum lease commitments under the Company's charter-in contracts, are as follows:

Year	**Amount**
2022	$ 38,385
2023	60,652
2024	61,961
2025	61,539
2026	61,260
2027 and thereafter	436,850
Total	**$ 720,647**

NOTE 17 – 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, 2021, is as follows:

Year	**Amount**
2022	$ 649,858
2023	427,190
2024	355,629
2025	293,848
2026	215,074
2027 and thereafter	404,381
Total	**$ 2,345,980**

NOTE 18 – TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

Vessel operating expenses: Pursuant to the Management Agreement, the Manager, provided commercial and technical management services to Navios Partners’ vessels for a daily fee of: (a) $4.23 daily rate per Ultra-Handymax vessel; (b) $4.33 daily rate per Panamax vessel; (c) $5.25 daily rate per Capesize vessel; (d) $6.70 daily rate per Containership of TEU 6,800; (e) $7.40 daily rate per Containership of more than TEU 8,000 and (f) $8.75 daily rate per very large Containership of more than TEU 13,000 through December 2019. These fixed daily fees cover the vessels' operating expenses, other than certain extraordinary fees and costs (pursuant to the terms of the management agreements).

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. Vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) $4.35 daily rate per Ultra-Handymax Vessel; (b) $4.45 daily rate per Panamax Vessel; (c) $5.41 daily rate per Capesize Vessel; and (d) $6.90 daily rate per 6,800 TEU Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise. In December 2019, the Management Agreement was further amended to include from January 1, 2020, a $6.1 daily rate per Sub-Panamax/Panamax Containership.

Following the liquidation of Navios Europe I, Navios Partners acquired three Sub-Panamax and two Panamax Containerships and following the liquidation of Navios Europe II, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax vessels. As per the Management Agreement, as amended in December 2019, vessel operating expenses are fixed for two years commencing from January 1, 2020 at $6.1 daily rate per Sub-Panamax/Panamax Containership. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Following the completion of the NMCI Merger, the fleet of Navios Containers is included in Navios Partners' owned fleet and continued to be operated by the Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the NMCI Management Agreement, vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.22 daily rate per Containership of TEU 3,000 up to 4,999, respectively; (b) $7.78 daily rate per Containership of TEU 8,000 up to 9,999, respectively; and (c) $8.27 daily rate per Containership of TEU 10,000 up to 11,999, respectively. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% after January 1, 2022 unless agreed otherwise.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet.and continued to be operated by Tankers Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the NNA Management Agreement, vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.8 per day per MR2 and MR1 product tanker and chemical tanker vessel; (b) $7.23 per day per LR1 product tanker vessel; and (c) $9.7 per day per VLCC. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel, an annual increase of 3% after January 1, 2022 for the remaining period unless agreed otherwise.

Following completion of the Mergers, the Managers provide commercial and technical management services to Navios Partners' vessels for a daily fee of: (a) $4.45 daily per Panamax Vessel; (b) $4.35 daily per Ultra-Handymax Vessel; (c) $5.41 daily per Capesize Vessel; (d) $6.1 daily per owned container vessel of 1,300TEU to 3,400TEU; (e) $6.22 daily rate per Containership of TEU 3,000 up to 4,999; (f) $6.9 daily per 6,800 TEU Containership; (g) $7.78 daily rate per Containership of TEU 8,000 up to 9,999; (h) $8.27 daily rate per Containership of TEU 10,000 up to 11,999; (i) $6.83 per day per MR2 and MR1 product tanker and chemical tanker vessel; (j) $7.23 per day per LR1 product tanker vessel; and (k) $9.65 per day per VLCC.

The Management Agreements also provide for payment of a termination fee, equal to the 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 December 31, 2024.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under the Company's Management Agreements, amounted to $11,408 and $3,366, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the Consolidated Statements of Cash Flows. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $5,811 are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $2,034 are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Vessel operating expenses for each of the years ended December 31, 2021, 2020 and 2019 amounted to $191,449, $93,732 and $68,188, 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 December 31, 2024.

Total general and administrative expenses charged by the Managers for each of the years ended December 31, 2021, 2020 and 2019 amounted to $28,805, $13,708 and $10,406, respectively.

Balance due from/(to) related parties: Balance due from related parties (both short and long term) as of December 31, 2021 and December 31, 2020 amounted to $35,245 and $5,000, respectively, of which the current receivable was $0 and $5,000, respectively and the long-term receivable was $35,245, and $0, respectively. The balance as of December 31, 2020, consisted of the receivable from the Navios Holdings Guarantee of $5,000. Balance due to related parties, short-term as of December 31, 2021 and December 31, 2020 amounted to $64,204 and $35,979, respectively, and mainly consisted of payables to the Managers. The balances mainly consisted of administrative fees, 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 Agreement.

Impairment of receivable in affiliated company: Navios Holdings, Navios Acquisition and Navios Partners have made available to Navios Europe II revolving loans of up to $43,500 to fund working capital requirements (collectively, the "Navios Revolving Loans II"). In March 2017, the availability under the Navios Revolving Loans II was increased by $14,000 (see Note 20 — Investment in Affiliates).

On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for $5,000. Navios Europe II owned seven container vessels and seven dry bulk vessels. Navios Partners had a net receivable of approximately $17,276 from Navios Europe II.

As of March 31, 2020, the decline in the fair value of the investment was considered as other-than-temporary and, therefore, an aggregate loss of $6,900 was recognized and included in the accompanying Consolidated Statements of Operations for the year ended December 31, 2020, as "Impairment of receivable in affiliated company". The fair value of the Company's investment was determined based on the liquidation value of Navios Europe II, including the individual fair values assigned to the assets and liabilities of Navios Europe II.

On May 14, 2020, an agreement was reached to liquidate Navios Europe II before its original expiring date. The transaction was completed on June 29, 2020.

As a result of the Europe II Liquidation, Navios Partners acquired 100% of the stock of the five vessels owning Companies owning the dry bulk vessels of Navios Europe II with a fair value of $56,050 and working capital balances of $(2,718). The acquisition was funded through a new credit facility (Note 11 – Borrowings) and cash on hand for total of $36,056 and the satisfaction of its receivable balances in the amount of approximately $17,276 representing the Revolving Loan, Term Loan and accrued interest thereof directly owned to Navios Partners, previously presented under the captions "Amounts due from related parties" and "Loans receivable from affiliates".

Following the liquidation of Navios Europe II, there was no balance due from Navios Europe II as of December 31, 2021 and December 31, 2020.

Note receivable from affiliates: On March 17, 2017, Navios Holdings transferred to Navios Partners its rights to the fixed 12.7% interest on the Navios Europe I Navios Term Loans I and Navios Revolving Loans I (including the respective accrued receivable interest) in the amount of $33,473, which included a cash consideration of $4,050 and 871,795 newly issued common units of Navios Partners, on a split adjusted basis. At the date of this transaction, the Company recognized a receivable at the fair value of its newly issued common units totaling $29,423 based on the closing price of $33.75 per unit as of March 16, 2017 given as consideration. The receivable relating to the consideration settled with the issuance of 871,795 Navios Partners' common units in the amount of $29,423 has been classified contra equity. The receivable from Navios Holdings was payable on maturity in December 2023. Interest would accrue through maturity and would be recognized within "Interest income" for the receivable relating to the cash consideration of $4,050. On October 23, 2019, Navios Partners' Conflicts Committee agreed to cancel an amortizing penalty from Navios Holdings of approximately $3,182 as of December 2019, due to early liquidation of the structure. Following the liquidation of Navios Europe I, the long-term note receivable from Navios Holdings amounted to $0.

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.

Navios Partners entered into an omnibus agreement with Navios Acquisition and Navios Holdings (the "Acquisition Omnibus Agreement") in connection with the closing of Navios Acquisition's initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for containerships and vessels that are primarily employed in operations in South America, without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter drybulk carriers subject to specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries granted to Navios Holdings and Navios Partners, a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels it might own. These rights of first offer will not apply to a (i) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the terms of any charter or other agreement with a counterparty, or (ii) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

In connection with the Navios Maritime Midstream Partners L.P. ("Navios Midstream") initial public offering effective November 18, 2014, Navios Partners entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Holdings pursuant to which Navios Acquisition, Navios Holdings and Navios Partners have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years and also providing rights of first offer on certain tanker vessels.

In connection with the Navios Containers private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Partners entered into an omnibus agreement with Navios Containers, Navios Holdings, Navios Acquisition and Navios Midstream (the "Navios Containers Omnibus Agreement"), pursuant to which Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream have granted to Navios Containers a right of first refusal over any containerships to be sold or acquired in the future. The omnibus agreement contains significant exceptions that will allow Navios Partners, Navios Holdings, Navios Acquisition and Navios Midstream to compete with Navios Containers under specified circumstances.

Navios Holdings Guarantee: On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20,000. In October 2020, Navios Holdings paid an amount of $5,000 to Navios Partners. In April 2021, Navios Holdings paid an amount of $5,000 to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to $0 and $5,000, respectively. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets as of December 31, 2020.

General partner and Navios Holdings: In August 2019, Navios Holdings announced that it sold certain assets, including its ship management division and the general partnership interest in Navios Partners to N Shipmanagement Acquisition Corp. and related entities, affiliated with Navios Holdings' Chairwoman and Chief Executive Officer, Angeliki Frangou.

Acquisition of vessels:

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 Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Panamax 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).

2020

On September 30, 2020, Navios Partners acquired the Navios Gem, a 2014-built Capesize vessel of 181,336 dwt and the Navios Victory, a 2014-built Panamax vessel of 77,095 dwt, from its affiliate, Navios Holdings, for a purchase price of $51,000, including working capital balances of $(4,378). The acquisition was funded through a new credit facility of $33,000 (see Note 11 — Borrowings) and the balance of $13,622 seller's credit by Navios Holdings was repaid on October 2, 2020, presented under the caption "Payable to affiliated company" in the Consolidated Statements of Cash Flows.

On June 29, 2020, Navios Partners acquired five drybulk vessels, three Panamax and two Ultra-Handymax, for a fair value of $56,050 in total, following the liquidation of Navios Europe II.

2019

On November 26, 2019, Navios Partners entered into a share purchase agreement for the acquisition of five containerships, following the liquidation of Navios Europe I. The vessels were acquired on December 13, 2019 (see Note 7 — Vessels, net).

On November 25, 2019, Navios Partners entered into a share purchase agreement for the acquisition of three Panamax and one Ultra-Handymax drybulk vessels from an entity affiliated with its Chairwoman and CEO for $37,000 (plus working capital adjustment) in a transaction approved by the Conflicts Committee of the Board of Directors of Navios Partners. The vessels were acquired on December 16, 2019 (see Note 7 — Vessels, net).

Navios Acquisition Credit Facility: On August 24, 2021, Navios Partners and Navios Acquisition entered into a loan agreement under which Navios Partners agreed to make available to Navios Acquisition a working capital facility of up to $45,000. As of the date hereof, the full amount of the facility has been drawn. The full amounts borrowed, including accrued and unpaid interest are due and payable on the date that is one year following the date hereof. The facility bears interest at the rate of 11.50% per annum. As of December 31, 2021, the outstanding balance of $45,000 was eliminated upon consolidation.

Loan payable to affiliated company: On March 19, 2021, Navios Acquisition entered into a secured loan agreement with a subsidiary of N Shipmanagement Acquisition Corp. ("NSM"), an entity affiliated with Navios Acquisition's Chairwoman and Chief Executive Officer, for a loan of up to $100,000 to be used for general corporate purposes (the "NSM Loan Agreement"). The loan would be repayable in two years and bears interest at a rate of 11% per annum, payable quarterly. Navios Acquisition may elect to defer all scheduled capital and interest payments, in which case the applicable interest rate is 12.5% per annum.

In August 2021, Navios Acquisition entered into a supplemental agreement (the "Supplemental Loan Agreement") to amend the NSM Loan Agreement. The Supplemental Loan Agreement provided for: (i) the issuance of 8,823,529 newly-issued shares of common stock of Navios Acquisition in settlement of $30,000 of the outstanding balance of the NSM Loan Agreement and (ii) the repayment of $35,000 of the outstanding balance of the NSM Loan Agreement in cash as of the date of the Supplemental Loan Agreement and the repayment in cash on January 7, 2022 of the remainder of the outstanding balance of the NSM Loan Agreement, of approximately $33,112.

On December 23, 2021, the outstanding amount of $33,112 was repaid. As of December 31, 2021, there was no outstanding balance of the NSM Loan Agreement. Upon completion of the NNA Merger, the newly-issued shares of common stock of Navios Acquisition were converted into common units of Navios Partners on the same terms as is applicable to other outstanding shares of common stock of Navios Acquisition.

As of December 31, 2021, there were outstanding 30,197,087 common units and 622,555 general partnership units, and Navios Holdings held a 10.3% ownership interest in Navios Partners, represented by 3,183,199 common units. Olympos Maritime Ltd. held an ownership of 2.0% represented by all 622,555 outstanding general partner units.

NOTE 19 – NOTES RECEIVABLE

On July 15, 2016, the Company entered into a charter restructuring agreement for the reduction of the hire rate for five Containerships chartered out to HMM which resulted in a decrease in cash charter hire to be received of approximately $38,461. More specifically, the reduction of the hire rate will be applied as follows:

- With effect from (and including) July 18, 2016 until (and including) December 31, 2019, hire rate shall be reduced to $24,400 per day pro rata.
- With effect from (and including) January 1, 2020, hire rate shall be restored to the rate of $30,500 per day pro rata until redelivery.

In exchange for the reduction of the hire rate, the Company received (i) $7,692 on principal amount of senior, unsecured notes, amortizing subject to available cash flows, accruing interest at 3% per annum payable on maturity in July 2024 and (ii) 3,657 freely tradable securities of HMM (publicly traded at the Stock Market Division of the Korean Exchange).

On July 18, 2016, the Company recognized the fair value of the HMM securities totaling $40,277 and also recognized the fair value of the senior unsecured notes totaling $6,074. The total fair value of the non-cash compensation received was recognized as deferred revenue, which will be amortized over the remaining duration of each time charter. The Company recognized non-cash interest income and discount unwinding totaling to $859, $458 and $470, respectively, for these instruments under the caption "Interest income" in the Consolidated Statements of Operations for each of the years ended December 31, 2021, 2020 and 2019, respectively. On May 14, 2021, the outstanding balance of the notes receivable was settled. As of December 31, 2021 and December 31, 2020, the outstanding balance of the notes receivable, including accrued interest and discount unwinding, amounted to $0 and $8,013, respectively, presented under the caption "Notes Receivable, net of current portion" in the Consolidated Balance Sheets.

For each of the years ended December 31, 2021, 2020 and 2019, the Company recorded an amount of $1,127, $1,130 and $12,121, respectively, of deferred revenue amortization in the Consolidated Statements of Operations under the caption "Time charter and voyage revenues".

As of December 31, 2021, the outstanding balances of the current and non-current portion of deferred revenue in relation to HMM amounted to $1,127 and $1,057, respectively. As of December 31, 2020, the outstanding balances of the current and non-current portion of deferred revenue in relation to HMM amounted to $1,127 and $2,185, respectively.

On January 12, 2017, the Company sold the MSC Cristina for a gross sales price of $126,000 and received a cash payment of $107,250 and a note receivable of $18,750 accruing interest at 6% per annum payable in 16 quarterly instalments. As of December 31, 2021 and 2020, the outstanding balances of the current and non-current note receivable amounted to $0. For each of the years ended December 31, 2021, 2020 and 2019, the Company recorded interest income of $0, $140 and $424, respectively, including accrued interest income of $0, $0 and $38 under the caption "Interest income" in the Consolidated Statements of Operations.

NOTE 20 – INVESTMENT IN AFFILIATES

Navios Europe I: On October 9, 2013, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe I and had ownership interests of 47.5%, 47.5% and 5.0%, respectively. On December 18, 2013, Navios Europe I acquired ten vessels for aggregate consideration consisting of: (i) cash which was funded with the proceeds of senior loan facilities (the "Senior Loans I") and loans aggregating $10,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the "Navios Term Loans I") and (ii) the assumption of a junior participating loan facility (the "Junior Loan I"). In addition to the Navios Term Loans I, Navios Holdings, Navios Acquisition and Navios Partners have made available to Navios Europe I revolving loans of up to $24,100 to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the availability under the Revolving Loans I was increased by $30,000.

Following the liquidation of Navios Europe I, Navios Partners acquired five vessel owning companies for a fair value of $56,083 in total.

Navios Europe II: On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe II and have ownership interests of 47.5%, 47.5% and 5.0%, respectively. From June 8, 2015 through December 31, 2015, Navios Europe II acquired fourteen vessels for aggregate consideration consisting of: (i) cash consideration of $145,550 (which was funded with the proceeds of a $131,550 senior loan facilities net of loan discount amounting to $3,375 (the "Senior Loans II") and loans aggregating $14,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the "Navios Term Loans II"); and (ii) the assumption of a junior participating loan facility (the "Junior Loan II") with a face amount of $182,150 and fair value of $99,147, at the acquisition date. In addition to the Navios Term Loans II, Navios Holdings, Navios Acquisition and Navios Partners have also made available to Navios Europe II revolving loans up to $43,500 to fund working capital requirements (collectively, the "Navios Revolving Loans II"). In March 2017, the amount of funds available under the Navios Revolving Loans II was increased by $14,000.

Following the liquidation of Navios Europe II, Navios Partners acquired five vessel owning companies for a fair value of $56,050 in total.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

Navios Containers:

As of December 31, 2020 and 2019, Navios Partners held 11,592,276 common units, representing an ownership interest in Navios Containers of 35.7% and 33.5% respectively. Investment income of $1,133 and $2,532 was recognized in the Consolidated Statements of Operations under the caption of "Equity in net earnings of affiliated companies" for each of the years ended December 31, 2020 and 2019, respectively.

Based on the Company's evaluation of the duration and magnitude of the fair value decline for approximately twelve months as of December 31, 2019, the Company concluded that the decline in the fair value of its investment below its carrying value was not temporary. Thus, an OTTI loss of $42,603 was recognized as of December 31, 2019, being the difference between the fair value of $25,025 and the carrying value of the investment of $67,628.

The fair value of Navios Partners' equity investment in Navios Containers was based on unadjusted quoted prices in active markets for Navios Containers' common units. The fair value of Navios Partners' equity investment in Navios Containers as at December 31, 2020 was $47,528 compared with its carrying value of $26,158.

On January 4, 2021, Navios Containers and the Company announced that they entered into a definitive merger agreement under which the Company would acquire all of the publicly held common units of Navios Containers in exchange for common units of the Company (the "Transaction"). The Transaction was approved by the necessary common unit holders of Navios Containers at a special meeting held on March 24, 2021. The General Partner of Navios Containers had consented to the NMCI Merger, and the Company voted the Navios Containers' common units it holds in favor of the Transaction. The Transaction was completed on March 31, 2021. Under the terms of the Transaction, Navios Partners acquired all of the publicly held common units of Navios Containers through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers common unit (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

Following the results of the significant tests performed by the Company, it was concluded that Navios Containers met the significance threshold requiring summarized financial information for the affiliated company to be presented for each of the years ended December 31, 2020 and 2019. Since Navios Europe I and Navios Europe II were liquidated on December 13, 2019 and June 29, 2020, balances are presented only for the year ended December 31, 2019.

	For the year ended December 31, 2019	
Income Statement	**Navios Europe I**	**Navios Europe II**
Revenue	$ 36,822	$ 46,718
Net loss	$ (18,575)	$ (30,203)

NOTE 21 – 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.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

There are incentive distribution rights held by Navios GP L.L.C., which are analyzed as follows:

		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.

The authorized quarterly cash distributions for all quarters during the years ended December 2021, 2020, 2019, are presented below:

Date	Authorized Quarterly Cash Distribution for the three months ended	Date of record of Common and General Partner unit Unitholders	Payment of Distribution	$/ Unit	Amount of the declared distribution
January 2019	December 31, 2018	February 11, 2019	February 14, 2019	$ 0.30	$ 3,458
April 2019	March 31, 2019	May 10, 2019	May 14, 2019	$ 0.30	$ 3,364
July 2019	June 30, 2019	August 6, 2019	August 9, 2019	$ 0.30	$ 3,364
October 2019	September 30, 2019	November 7, 2019	November 14, 2019	$ 0.30	$ 3,364
January 2020	December 31, 2019	February 11, 2020	February 13, 2020	$ 0.30	$ 3,365
April 2020	March 31, 2020	May 11, 2020	May 14, 2020	$ 0.30	$ 3,366
July 2020	June 30, 2020	August 10, 2020	August 13, 2020	$ 0.05	$ 562
October 2020	September 30, 2020	November 9, 2020	November 13, 2020	$ 0.05	$ 579
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

Navios Partners calculates earnings/(losses) 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) per common unit are 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 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 loss per unit undistributed is determined by taking the distributions in excess of net income and allocating between common units and general partner units on a 98%-2% basis. There were no options or phantom units outstanding during each of the years ended December 31, 2021, 2020 and 2019.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

The calculations of the basic and diluted earnings per unit are presented below.

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Net income / (loss) attributable to Navios Partners' unitholders	$ 516,186	$ (68,541)	$ (62,134)
Income / (loss) attributable to:			
Common unitholders	$ 505,862	$ (67,173)	$ (60,899)
Weighted average units outstanding basic			
Common unitholders	22,620,324	10,966,518	10,830,959
Earnings/ (losses) per unit basic:			
Common unitholders	$ 22.36	$ (6.13)	$ (5.62)
Weighted average units outstanding diluted			
Common unitholders	22,663,240	10,966,518	10,830,959
Earnings/ (losses) per unit diluted:			
Common unitholders	$ 22.32	$ (6.13)	$ (5.62)
Earnings per unit distributed basic:			
Common unitholders	$ 0.20	$ 0.45	$ 1.22
Earnings per unit distributed diluted:			
Common unitholders	$ 0.20	$ 0.45	$ 1.22
Earnings/ (losses per unit) - undistributed basic:			
Common unitholders	$ 22.16	$ (6.58)	$ (6.84)
Earnings/ (losses) per unit undistributed diluted			
Common unitholders	$ 22.12	$ (6.58)	$ (6.84)

Potential common units of 42,916 for the year ended December 31, 2021 are included in the calculation of diluted earnings per unit. Potential common units of 92,699 and 146,541 relating to unvested restricted common units for each of the years ended December 31, 2020 and 2019, respectively, have an anti-dilutive effect (i.e. those that increase income per unit or decrease loss per unit) and are therefore excluded from the calculation of diluted earnings per unit.

NOTE 22 – OTHER INCOME - OTHER EXPENSE

As of December 31, 2020, the amount of $2,697 relating to settlement of claims and recovery of other receivables of one of the Company's vessels is included under the caption "Other income" of the Consolidated Statements of Operations.

On November 15, 2012 (as amended and supplemented in March 2014, December 2017 and July 2019), Navios Holdings and Navios Partners entered into the Navios Holdings Guarantee by which Navios Holdings would provide supplemental credit default insurance with a maximum cash payment of $20,000. In October 2020, Navios Holdings paid an amount of $5,000 to Navios Partners. In April 2021, Navios Holdings paid an amount of $5,000 to Navios Partners. As of December 31, 2021 and 2020, the outstanding claim receivable amounted to $0 and $5,000, respectively. The guarantee claim receivable is presented under the caption "Amounts due from related parties-short term" in the Consolidated Balance Sheets as of December 31, 2020. As of December 31, 2019, the amount of $3,638 related to the change in estimate of the guarantee claim receivable and is included under the caption "Other expense" of the Consolidated Statements of Operations.

NOTE 23 – 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. Upon adoption of ASC 842, the timing and recognition of earnings from the time charter contracts and pool arrangements to which the Company is party did not change from previous practice. For further analysis, (see Note 2— Summary of Significant Accounting Policies).

Bareboat charter-in contracts

On July 24, 2019, Navios Partners took delivery of the Navios Libra, a 2019-built Panamax vessel of 82,011 dwt, for a ten-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 and an average daily rate of $6. 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.

On May 28, 2021 and June 10, 2021, Navios Partners took delivery of the Navios Amitie and the Navios Star, two 2021-built Panamax vessels of 82,002 dwt and 81,994 dwt, respectively. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of $5.9. 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.

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 average daily rate under bareboat charter-in agreement each of Baghdad and Erbil, amounts to $21. 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.

On August 30, 2021, Navios Partners took delivery of the Nave Electron, a 2021-built VLCC vessel of 313,329 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of $21. 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.

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 Navios Libra, 5% for Navios Amite and Navios Star, 6% for Baghdad and Erbil and 4% for Nave Electron.

As of December 31, 2021 and December 31, 2020 the unamortized balance of the lease liability amounted $243,804 and $13,153, 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 $244,337 and $13,285 as at December 31, 2021 and December 31, 2020, 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 on a straight-line basis over the lease term. Lease expense for the year ended December 31, 2021, 2020 and 2019 amounted to $12,757, $2,086, and $918, respectively, and is included under the caption "Time charter and voyage expenses" in the Consolidated Statements of Operations.

As of 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 step one of the impairment analysis was not required.

As of December 31, 2020, the Company proceeded with step one of impairment assessment of the unamortized balance of the Right of use asset in relation to vessel Navios Libra. As the undiscounted projected net operating cash flows exceed the carrying value of the right-of-use asset, no impairment loss was recognized as of December 31, 2020.

No impairment loss was recognized as of each of December 31, 2021, 2020 and 2019.

(Expressed in thousands of U.S. Dollars except unit and per unit data)

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, 2021:

	Charter-in vessels in operation
December 31, 2022	$ 30,603
December 31, 2023	30,558
December 31, 2024	30,508
December 31, 2025	30,368
December 31, 2026	30,257
December 31, 2027 and thereafter	166,021
Total	**$ 318,315**
Operating lease liabilities, including current portion	**$ 243,804**
Discount based on incremental borrowing rate	**$ 74,511**

Bareboat charter-out contract

Subsequently to the charter-in agreement, the Company entered into bareboat charter-out agreements for a firm charter period of 10-years for the vessels Baghdad and Erbil. The agreement includes an optional period of 5 years. The Company performed also an assessment of the lease classification under the ASC 842 and concluded that the arrangements are operating leases.

The Company recognizes in relation to the operating leases for the charter-out agreements the charter-out hire income in the consolidated statements of operations on a straight-line basis. As of December 31, 2021, the charter hire income (net of commissions, if any) amounted to $7,031 and it is included in the consolidated statements of operations under the caption "Time charter and voyage revenues".

NOTE 24 – SUBSEQUENT EVENTS

On March 28, 2022, Navios Partners entered into a new credit facility with a commercial bank for a total amount of up to $55,000 in order to refinance the existing indebtedness of three of its vessels and for general corporate purposes. The credit facility matures in March 2027 and bears interest at daily cumulative or non-cumulative compounded RFR rate (as defined in the loan agreement) plus 2.25% per annum. On March 31, 2022, the entire amount was drawn under this loan.

In February 2022, Navios Partners agreed to sell the Navios Utmost and the Navios Unite, two 2006-built Containerships of 8,204 TEU each, to an unrelated third party, for an aggregate sales price of $220,000. The sale is expected to be completed during the second half of 2022 and the gain on sale of vessels is expected to be approximately $144,304.

In January 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2021 of $0.05 per unit. The distribution was paid on February 11, 2022 to all unitholders of common units and general partner units of record as of February 9, 2022. The aggregate amount of the declared distribution was $1,541.

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 12, 2022

ARTICLES OF INCORPORATION

OF

OLYMPOS MARITIME LTD

PURSUANT TO THE MARSHALL ISLANDS BUSINESS CORPORATIONS ACT

The undersigned, for the purpose of forming a corporation pursuant to the provisions of the Marshall Islands Business Corporations Act, does hereby make, subscribe, acknowledge and file with the Registrar of Corporations this instrument for that purpose, as follows:

A. The name of the Corporation shall be:

OLYMPOS MARITIME LTD

B. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act and without in any way limiting the generality of the foregoing, the corporation shall have the power:

(1) To purchase or otherwise acquire, own, use, operate, pledge, hypothecate, mortgage, lease, charter, sub-charter, sell, build, and repair steamships, motorships, tankers, sailing vessels, yachts, tugs, lighters, barges, and all other vessels and craft of any and all motive power whatsoever, including landcraft, and any and all means of conveyance and transportation by land or water, together with engines, boilers, machinery equipment and appurtenances of all kinds, including masts, sails, boats, anchors, cables, tackle, furniture and all other necessities thereunto appertaining and belonging, together with all materials, articles, tools, equipment and appliances necessary, suitable or convenient for the construction, equipment, use and operation thereof; and to equip, furnish, and outfit such vessels and ships.

(2) To engage in ocean, coastwise and inland commerce, and generally in the carriage of freight, goods, cargo in bulk, passengers, mail and personal effects by water between the various ports of the world and to engage generally in waterborne commerce.

(3) To purchase or otherwise acquire, own, use, operate, lease, build, repair, sell or in any manner dispose of docks, piers, quays, wharves, dry docks, warehouses and storage facilities of all kinds, and any property, real, personal and mixed, in connection therewith.

(4) To act as ship's husband, ship brokers, custom house brokers, ship's agents, manager of shipping property, freight contractors, forwarding agents, warehousemen, wharfingers, ship chandlers, and general traders.

(5) To enter into, make and perform contracts of every kind and description with any person, firm, association, corporation, municipality, county, state, body politic, or government or colony or any dependency thereof.

(6) To appoint or act as an agent, broker, or representative, general or special, in respect of any or all of the powers expressed herein or implied hereby; to appoint agents, brokers or representatives.

(7) To carry on its business, to have one or more offices, and to exercise its powers in foreign countries, subject to the laws of the particular country.

(8) To borrow or raise money and contract debts, when necessary, for the transaction of its business or for the exercise of its corporate rights, privileges or franchise or for any other lawful purpose of its incorporation; to draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bonds, debentures, and other instruments and evidences of indebtedness either secured by mortgage, pledge, deed of trust, or otherwise, or unsecured.

(9) To give a guarantee not in furtherance of corporate purposes when authorized by majority vote of shareholders entitled to vote thereon and, when authorized by like vote, such guarantee may be secured by mortgage or pledge or creation of security interest in corporate property.

(10) To purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class and description.

(11) To apply for, secure by purchase or otherwise hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent, patent rights, licenses, privileges, inventions, improvements and processes, copyrights, trademarks, and trade names, relative to or useful in connection with any business of this corporation.

(12) To purchase or otherwise acquire, underwrite, hold, pledge, turn to account in any manner, sell, distribute, or otherwise dispose of and generally to deal in, bonds, debentures, notes, evidences of indebtedness, shares of stock, warrants, rights, certificates, receipts or any other instruments or interests in the nature of securities created or issued by any person, partnership, firm, corporation, company, association, or other business organizations, foreign or domestic, or by any domestic or foreign governmental, municipal or other public authority, and exercise as holder or owner of any such securities all rights, powers and privileges in respect thereof; to do any and all acts and things for the preservation, protection, improvement and enhancement in value of any such securities and to aid by loan, subsidy, guaranty or otherwise those issuing, creating or responsible for any such securities; to acquire or become interested in any such securities by original subscription, underwriting, loan, participation in syndicates or otherwise, and irrespective of whether such securities be fully paid or subject to future payments; to make payments thereon as called for or in advance of calls or otherwise and to underwrite or subscribe for the same conditionally or otherwise and either with a view to resale or investment or for any other lawful purpose; and in connection therewith or otherwise to acquire and hold membership in or otherwise secure trading privileges on any board of trade, exchange or other similar institution where any securities are dealt in and to comply with the rules of any such institution; as used herein the term "securities" shall include bonds, debentures, notes, evidences of indebtedness, shares of stock, warrants, options, rights, certificates, receipts or any other instruments or interests in the nature of securities of any kind whatsoever which a corporation organized under the Business Corporations Act of the Republic of the Marshall Islands is legally permitted to acquire or deal in, by whomsoever issued or created; the term "person" shall include any person, partnership, firm, corporation, company, association or other business organization, domestic or foreign governmental, municipal or other public authority.

(13) To purchase or otherwise acquire, hold, pledge, turn to account in any manner, import, export, sell, distribute or otherwise dispose of, and generally to deal in, commodities and products (including any future interest therein) and merchandise, articles of commerce, materials, personal property and real property of every kind, character and description whatsoever, and any interest therein, either as principal or as a factor or broker, or as commercial, sales, business or financial agent or representative, general or special, or, to the extent permitted by the laws of the Marshall Islands, in any other capacity whatsoever for the account of any domestic or foreign person or public authority, and in connection therewith or otherwise to acquire trading privileges on any board of trade, exchange or other similar institution where any such products or commodities or personal or real property are dealt in, and to comply with the rules of any such institution.

(14) To engage in any mercantile, manufacturing or trading business of any kind or character whatsoever and to do all things incidental to such business.

(15) To carry on the business of warehousing and all business incidental thereto, including the issuing of warehouse receipts, negotiable or otherwise, and the making of advances or loans upon the security of goods warehoused.

(16) To purchase, lease or otherwise acquire, hold, own, mortgage, pledge, hypothecate, build, erect, construct, maintain and operate, develop, improve and sell, lease or otherwise dispose of lands, and improvements, warehouses, factories, buildings, structures, piers, wharves, mills, dams, stores and dwellings and all other property and things of whatsoever kind and nature, real, personal or mixed, tangible or intangible, suitable or necessary in connection with any of the purposes hereinabove or hereinafter set forth, or otherwise deal with or in any such properties.

(17) To cause to be formed, merged, reorganized or liquidated, and to promote, take charge of, in any way permitted by law, the formation, merger, reorganization or liquidation of any person.

(18) To acquire all or any part of the good will, rights, property and business of any person, heretofore or hereafter engaged in any business similar to any business which the Corporation has power to conduct, to pay for the same in cash or in the securities of the Corporation or otherwise, to hold, utilize and in any manner dispose of the whole or any part of the rights and property so acquired, and to assume in connection therewith any liabilities of any such person, and conduct in any lawful manner the whole or any part of the business thus acquired.

(19) To make, enter into and carry out any arrangements with any person or public authority, to obtain therefrom or otherwise to acquire by purchase, lease, assignment or otherwise any powers, rights, privileges, immunities, franchises, guarantees, grants and concessions, to acquire, hold, own, exercise, exploit, dispose of and realize upon the same, and to undertake and prosecute any business dependent thereon provided it is such a business as this Corporation may engage in; and to promote, cause to be formed and aid in any way any person for any such purpose.

(20) To make and issue trust receipts, deposit receipts, certificates of deposit, interim receipts, or any other receipts for, or certificates of deposit for, any securities or interest therein; to acquire and exercise any proxies or powers of attorney or other privileges pertaining to any securities or interest therein.

(21) To render advisory, investigatory, supervisory, managerial or other like services, permitted to corporations, in connection with the promotion, organization, reorganization, recapitalization, liquidation, consolidation or merger of any person or in connection with the issuance, underwriting, sale or distribution of any securities issued in connection therewith or incidental thereto; and to render general investment advisory or financial advisory or managerial services to any person or public authority.

(22) To cause or allow the legal title, or any legal or equitable estate, right or interest in any property, whether real, personal or mixed, owned, acquired, controlled or operated by the Corporation, to remain or to be vested or registered in the name of or operated by, any person, formed or to be formed, either upon trust for or as agents or nominees of, this Corporation, or upon any other proper terms or conditions which the Board of Directors may consider for the benefit of the Corporation.

(23) To enter into any lawful arrangements for sharing profits, union of interest, reciprocal concession or cooperation with any person or public authority, in the carrying on of any similar business which the Corporation is authorized to carry on, or any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of the Corporation.

(24) To the extent suitable or necessary to carry out any of the purposes hereinbefore or hereinafter set forth, but only in so far as the same may be permitted to be done by a corporation organized under the Business Corporations Act of the Republic of the Marshall Islands, to buy, sell and deal in foreign exchange.

(25) To invest its uninvested funds and/or surplus from time to time to such extent as the Corporation may deem advisable in securities or in call and/or in time loans or otherwise, upon such security, if any, as the Board of Directors may determine, but the Corporation shall not engage in the banking business or exercise banking powers, and nothing in these Articles contained shall be deemed to authorize it to do so.

(26) To issue, purchase, hold, sell, transfer, reissue or cancel the shares of its own capital stock or any securities of the Corporation in the manner and to the extent now or hereafter permitted by the Business Corporations Act of the Republic of the Marshall Islands; and provided further that shares of its own capital stock owned by the Corporation shall not be voted upon directly or indirectly, nor counted as outstanding for the purpose of any stockholders' quorum or vote.

(27) To act in any and all parts of the world in any capacity whatsoever as agent, broker, or representative, general or special, for any person or public authority. ·

(28) To do any and all of the acts and things herein set forth, as principal, factor, agent, contractor, or otherwise, either alone or in company with others; and in general to carry on any other similar business which is incidental or conducive or convenient or proper to the attainment of the foregoing purposes or any of them and which is not forbidden by law; and to exercise any and all powers which now or hereafter may be lawful for the Corporation to exercise under the laws of the Marshall Islands; to establish and maintain offices and agencies wherever situated; and to exercise any or all of its corporate powers and rights.

C. The registered address of the Corporation in the Marshall Islands is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960. The name of the Corporation's registered agent at such address is The Trust Company of the Marshall Islands, Inc.

D. The aggregate number of shares of stock that the Corporation is authorized to issue is Five Hundred (500) registered and/or bearer share(s) without par value.

The Corporation shall mail notices and information to holders of bearer shares to the address provided to the Corporation by the shareholder for that purpose.

The holder of a stock certificate issued to bearer may cause such certificate to be exchanged for another certificate in his name for a like number of shares, and the holder of shares issued in the name of the owner may cause his certificate to be exchanged for another certificate to bearer for a like number of shares.

E. The Corporation shall have every power which a corporation now or hereafter organized under the Marshall Islands Business Corporations Act may have.

F. The name and address of the incorporator is:

Name	Post Office Address
Majuro Nominees Ltd	P.O. Box 1405 Majuro Marshall Islands

G. The Board of Directors as well as the shareholders of the Corporation shall have the authority to adopt, amend or repeal the bylaws of the Corporation.

H. Corporate existence shall begin upon filing these Articles of Incorporation with the Registrar of Corporations as of the filing date stated on these Articles.

IN WITNESS WHEREOF, I have executed this instrument on **July 22, 2019.**

by: /s/ James Myazoe
James Myazoe, Authorized Signatory
Majuro Nominees Ltd., Incorporator

On **July 22, 2019, James Myazoc,** known to me to be the individual described in and who executed the foregoing instrument, duly acknowledged that the execution thereof was his act and deed.

SPECIAL AGENT OF THE MARSHALL ISLANDS
SEAL

/s/ Denise M. Francis
Denise M. Francis
Special Agent

REGISTRAR OF CORPORATIONS
FILED
July 22, 2019
REPUBLIC OF THE MARSHALL ISLANDS

Exhibit 1.4

BYLAWS

OLYMPOS MARITIME LTD

A Marshall Islands Corporation

ARTICLE I
OFFICES

The principal place of business of the Corporation shall be at such place or places as the Directors shall from time to time determine. The Corporation may also have an office at such other places within or without the Marshall Islands as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II
MEETING OF SHAREHOLDERS

Section 1. Annual Meetings. The annual meeting of shareholders of the Corporation shall be held on such day and at such time and place within or without the Marshall Islands as the Board of Directors may determine for the purpose of electing Directors and of transacting such other business as may properly be brought before the meeting.

Section 2. Special Meeting. Special meetings of the shareholders, unless otherwise prescribed by law, may be called for any purpose or purposes at any time by resolution of the Board of Directors or by the President and shall be called by the President or Secretary of the Corporation whenever required in writing to do so by shareholders owning a majority in amount of capital stock of the Corporation entitled to vote which is issued and outstanding. Such request shall state the purpose or purposes of the proposed special meeting. Such meetings shall be held at such place and on a date and at such time as may be designated in the notice thereof by the officer of the Corporation calling any such meeting. Business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice.

Section 3. Notice of Meetings. Notice of every annual and special meeting of shareholders, other than any meeting the giving of notice of which is prescribed by law, stating the date, time, place and purpose thereof, and in the case of special meetings, the name of the person or persons at whose direction the notice is being issued, shall be given personally or sent by mail, E-mail, telefax, cablegram, telex or teleprinter at least fifteen but not more than sixty days before such meeting, to each shareholder of record entitled to vote thereat and to each shareholder of record who, by reason of any action proposed at such meeting would be entitled to have his/her shares appraised if such action were taken, and the notice shall include a statement of that purpose and to that effect. If mailed, notice shall be deemed to have been given when deposited in the mail, directed to the shareholder at his/her address as the same appears on the record of shareholders of the Corporation or at such address as to which the shareholder has given notice to the Secretary. Notice of a meeting need not be given to any shareholder who submits a signed waiver of notice, whether before or after the meeting or who attends the meeting without protesting prior to the conclusion thereof the lack of notice to him. If the Corporation shall issue any class of bearer shares, notice for all meetings shall be given in the manner provided in the Articles of Incorporation.

Section 4. Quorum. At all meetings of the shareholders, except as otherwise expressly provided by law, there must be present, either in person or by proxy, shareholders holding at least a majority of the shares issued and outstanding and entitled to vote at such meetings in order to constitute a quorum, but if less than a quorum is present, a majority of those shares present either in person or by proxy shall have power to adjourn any meeting until a quorum shall be present.

Section 5. Voting. If a quorum is present, and except as otherwise expressly provided by law, the affirmative vote of a majority of the shares of stock represented at the meeting shall be the act of the shareholders. At any meeting of shareholders, each shareholder entitled to vote any shares on any manner to be voted upon at such meeting shall be entitled to one vote on such matter for each such share, and may exercise such voting right either in person or by proxy. Any action which may be taken at a meeting of shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken or to be taken, is signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

Section 6. Fixing of Record Dates. The Board of Directors may fix a time not more than sixty nor less than fifteen days prior to the date of any meeting of the shareholders, or more than sixty (60) days prior to the last day on which the consent or dissent of shareholders may be expressed for any purpose without a meeting, as the time as of which shareholders entitled to notice of and to vote at such meeting or whose consent or dissent is required or may be expressed for any purpose, as the case may be, shall be determined, and all persons who were holders of record of voting shares at such time and not others shall be entitled to notice of and to vote at such meeting or to express their consent or dissent, as the case may be. The Board of Directors may fix a time not exceeding sixty days preceding the date fixed for the payment of any dividend, distribution, or allotment or for the purpose of such other action.

ARTICLE III
DIRECTORS

Section 1. Number. The affairs, business and property of the Corporation shall be managed by a Board of Directors to consist of at least one director. Within the limits fixed by these Bylaws, the number of directors may be determined either by a vote of a majority of the entire Board or by vote of shareholders. The directors need not be residents of the Marshall Islands nor shareholders of the Corporation.

Section 2. How Elected. Except as otherwise provided by law or Section 4 of this Article, the directors of the Corporation (other than the first Board of Directors designated by the Incorporator) shall be elected at the annual meeting of shareholders. Each director shall be elected to serve until the next annual meeting of shareholders and until his/her successor shall have been duly elected and qualified, except in the event of his/her death, resignation, removal or the earlier termination of his/her term of office.

Section 3. Removal. Any or all of the directors may be removed, with or without cause, by a vote of the shareholders. Any director may be removed for cause by action of the Board of Directors.

Section 4. Vacancies. Vacancies in the Board of Directors occurring by death, resignation, the creation of new directorships, the failure of the shareholders to elect the whole Board at any annual election of directors, or, except as herein provided, for any other reason, including removal of directors for cause, may be filled either by the affirmative vote of a majority of the remaining directors then in office, although less than a quorum, at any special meeting called for that purpose or at any regular meeting of the Board, except as otherwise prescribed by law or unless the Articles of Incorporation provide that such vacancies or newly created directorships shall be filled by vote of the shareholders. Vacancies occurring by removal of directors without cause may be filled only by vote of the shareholders.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as may be determined by resolution of the Board of Directors and no notice shall be required for any regular meeting. Except as otherwise provided by law, any business may be transacted at any regular meeting.

Section 6. Special Meetings. Special meetings of the Board may, unless otherwise prescribed by law, be called by the President or any other officer of the Corporation who is also a director. The President or the Secretary shall call a special meeting of the Board upon written request directed to either of them by any two directors stating the time, place and purpose of such special meeting. Special meetings of the Board shall be held on a date and at such time and at such place as may be designated in the notice thereof by the officer calling the meeting.

Section 7. Notice of Special Meeting. Notice of the date, time and place of each special meeting of the Board of Directors shall be given to each director at least forty-eight hours prior to such meeting, unless the notice is given orally or delivered in person, in which case it shall be given at least twenty-four hours prior to such meeting. For the purpose of this section, notice shall be deemed to be duly given to a director if given personally (including by telephone) or if such notice be delivered to such director by mail, E-mail, telefax, cablegram, telex or teleprinter to his/her last known address. Notice of a meeting need not be given to any director who submits a signed waiver of notice, whether before or after the meeting, or who attends the meeting without protesting, prior to the conclusion thereof, the lack of notice to him/her.

Section 8. Quorum. A majority of the entire board, present in person or by proxy or by communicating equipment, shall constitute a quorum for the transaction of business.

Section 9. Voting. The vote of the majority of the directors, present in person or by proxy, in communication by telefax or conference telephone, at a meeting at which a quorum is present shall be the act of the directors. Any action required or permitted to be taken at a meeting may be taken without a meeting if all the members of the Board consent in writing thereto.

Section 10. Compensation of Directors and Members of Committees. The Board may from time to time, in its discretion, fix the amounts which shall be payable to members of the Board of Directors and to members of any committee, for attendance at the meetings of the Board or of such committee and for services rendered to the Corporation.

ARTICLE IV
COMMITTEES

Section 1. Executive Committee and Other Committees. The Board of Directors may, by resolution or resolutions passed by a majority of the entire Board, designate from among its members an Executive Committee to consist of one or more of the directors of the Corporation, which, to the extent provided in said resolution or resolutions, or in these Bylaws, shall have and may exercise, to the extent permitted by law, the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it. In addition, the Board of Directors may, by resolution or resolutions passed by a majority of the entire Board, designate from among its members other committees to consist of one or more directors of the Corporation, each of which shall perform such function and have such authority and powers as shall be delegated to it by said resolution or resolutions or as provided for in these Bylaws, except that only the Executive Committee may have and exercise the powers of the Board of Directors. Members of the Executive Committee and any other committee shall hold office for such periods as may be prescribed by the vote of the majority of the entire Board of Directors, subject, however, to removal at any time by the vote of the Board of Directors. Vacancies in the membership of such committees shall be filled by vote of the Board of Directors. Committees may adopt their own rules of procedure and may meet at stated times or on such notice as they may determine. Each committee shall keep a record of its proceedings and report the same to the Board when requested.

ARTICLE V
OFFICERS

Section 1. Number and Designation. The Board of Directors shall appoint a Secretary and a Treasurer, and may appoint a President as well as such other officers as it may deem necessary. Officers may be of any nationality, need not be residents of the Marshall Islands and may be, but are not required to be, directors. Officers of the Corporation shall be natural persons except the Secretary may be a corporate entity. Any two or more offices may be held by the same natural person.

The officers shall be appointed annually by the Board of Directors at its first meeting following the annual election of directors, but in the event of the failure of the Board to so appoint any officer, such officer may be appointed at any subsequent meeting of the Board of Directors. The salaries of the officers and any other compensation paid to them shall be fixed from time to time by the Board of Directors. The Board of Directors may at any meeting appoint additional officers. Each officer shall hold office until the first meeting of the Board of Directors following the next annual election of directors and until his/her successor shall have been duly appointed and qualified, except in the event of the earlier termination of his/her term of office through death, resignation, removal or otherwise. Any officer may be removed by the Board at any time with or without cause. Any vacancy in an office may be filled for the unexpired portion of the term of such office by the Board of Directors at any regular or special meeting.

Section 2. President. The President shall be the Chief Executive Officer of the Corporation and shall have the general management of the affairs of the Corporation, together with the powers and duties usually incident to the office of President, except as specifically limited by appropriate written resolution of the Board of Directors and shall have such other powers and perform such other duties as may be assigned to him/her by the Board of Directors. The President shall preside at all meetings of shareholders at which he/she is present and if, in the case of the President**,** he/she is a director, at all meetings of the directors.

Section 3. Treasurer. The Treasurer shall have general supervision over the care and custody of the funds, securities and other valuable effects of the Corporation and shall deposit the same or cause the same to be deposited in the name of the Corporation in such depositories as the Board of Directors may designate, shall disburse the funds of the Corporation as may be ordered by the Board of Directors, shall have supervision over the accounts of all receipts and disbursements of the Corporation, shall, whenever required by the Board, render or cause to be rendered financial statements of the Corporation, shall have the power and perform the duties usually incident to the office of Treasurer; and shall have the powers and perform such other duties as may be assigned to him/her by the Board of Directors, or President.

Section 4. Secretary. The Secretary shall act as Secretary of all meetings of the shareholders and of the Board of Directors at which he/she is present, shall have supervision over the giving and serving of notices of the Corporation; shall be the custodian of the corporate records and of the corporate seal of the Corporation; shall be empowered to affix the corporate seal to those documents, the execution of which, on behalf of the Corporation under its seal, is duly authorized and when so affixed may attest the same, and shall exercise the powers and perform such other duties as may be assigned to him/her by the Board of Directors or the President. If the Secretary is a Corporation, the duties of the Secretary may be carried out by any duly authorized representative of such corporation acting in its name.

Section 5. Other Officers: Officers other than those treated in section 2 through 4 of this Article shall exercise such powers and perform such duties as may be assigned to them by the Board of Directors or by the President.

Section 6. Bond. The Board of Directors shall have the power to the extent permitted by law, to require any officer, agent or employee of the Corporation to give bond for the faithful discharge of his/her duties in such form and with such surety or sureties as the Board of Directors may deem advisable.

ARTICLE VI
CERTIFICATES FOR SHARES

Section 1. Form and Issuance. The shares of the Corporation shall be represented by certificates in a form meeting the requirements of law and approved by the Board of Directors. Certificates shall be signed by the President or a Vice President, and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. These signatures may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee.

Section 2. Transfer. The Board of Directors shall have the power and authority to make such rules and regulations as they may deem expedient concerning the issuance, registration and transfer of certificates representing shares of the Corporation's stock, and may appoint, transfer agents and registrars thereof.

Section 3. Loss of Stock Certificates. The Board of Directors may direct a new certificate or certificates of stock to be issued in place of any certificate or certificates thereof issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his/her representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

ARTICLE VII
DIVIDENDS

Section 1. Declaration and Form. Dividends may be declared in conformity with law by, and at the discretion of, the Board of Directors at any regular or special meeting. Dividends may be declared and paid in cash, stock, or other property of the Corporation.

ARTICLE VIII
CORPORATE SEAL

Section 1. Corporate Seal. The seal of the Corporation, if any, shall be circular in form, with the name of the Corporation in the circumference and such other appropriate legend as the Board of Directors may from time to time determine.

ARTICLE IX
FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Corporation shall be such period of twelve consecutive months as the Board of Directors may by resolution designate.

ARTICLE X
AMENDMENTS

Section 1. By the Shareholders. These Bylaws may be amended, added to, altered or repealed or new Bylaws may be adopted, at any meeting of the shareholders of the Corporation by the affirmative vote of the holders of a majority of the stock present and voting at such meeting provided notice that an amendment is to be considered and acted upon is inserted in the notice or waiver of notice of said meeting.

Section 2. By the Directors. If the Articles of Incorporation so provide, these Bylaws may be amended, added to, altered or repealed or new Bylaws may be adopted, at any regular or special meeting of the Board of Directors by the affirmative vote of a majority of the entire Board, subject, however, to the power of the shareholders to alter, amend or repeal any Bylaws as adopted.

Dated 13 December 2021

$72,710,000

TERM LOAN FACILITY

TINOS SHIPPING CORPORATION
PSARA SHIPPING CORPORATION
OINOUSSES SHIPPING CORPORATION
JOY SHIPPING CORPORATION
and
AVERY SHIPPING COMPANY
as joint and several Borrowers

and

NAVIOS MARITIME PARTNERS L.P.
as Guarantor

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

DNB BANK ASA, London Branch
as Facility Agent, Security Agent
and
Sustainability Agent

and

DNB (UK) limited
as Mandated Lead Arranger

FACILITY AGREEMENT

relating to
the refinancing of the existing indebtedness secured over
m.vs. “NAVE RIGEL”, “NAVE LUMINOSITY”, “NAVE JUPITER”, “NAVIOS JOY” and “NAVIOS SYMPHONY”

WATSON FARLEY
&
WILLIAMS

Index

THIS AGREEMENT is made on 13 December 2021

PARTIES

(1) **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 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) **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 C**")

(4) **JOY 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 D**")

(5) **AVERY SHIPPING COMPANY**, 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 ("**Borrower E**")

(6) **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 as guarantor (the "**Guarantor**")

(7) **THE BANKS AND THE FINANCIAL INSTITUTIONS** listed in Part B of Schedule 1 (*The Parties*) as lenders (the "**Original Lenders**")

(8) **DNB BANK ASA, London Branch** as agent of the other Finance Parties (the "**Facility Agent**")

(9) **DNB BANK ASA, London Branch** as security agent for the Secured Parties (the "**Security Agent**")

(10) **DNB BANK ASA, London Branch**, as Sustainability Agent (the "**Sustainability Agent**")

(11) **DNB (UK) LIMITED** as mandated lead arranger (the "**Mandated Lead Arranger**")

BACKGROUND

The Lenders have agreed to make available to the Borrowers a term loan facility in an aggregate amount of up to $72,710,000 in five Tranches as follows:

(A) the aggregate of Tranche A, Tranche B and Tranche C in an amount equal to the lesser of:

(i) $46,000,000; and

(ii) 62.5% of the aggregate Initial Market Value of Ship A, Ship B and Ship C, and

(B) the aggregate of Tranche D and Tranche E in an amount equal to the lesser of:

(i) $26,710,000; and

(ii) the Existing Indebtedness secured on Ship D and Ship E,

each such Tranche to be made available at the same time and each to be drawn in a single advance for the purposes of refinancing the relevant Existing Indebtedness in respect of the Ships.

OPERATIVE PROVISIONS

SECTION 1

INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**Account Security**" means a document creating Security over the Earnings Accounts in agreed form.

"Advance" means a borrowing of all or part of a Tranche under this Agreement.

"**Additional Business Day**" means any day specified as such in the Compounded Rate Terms.

"**AER**" means, in relation to an AER Reference Vessel for a calendar year, the efficiency ratio of that AER Reference Vessel using the parameters of fuel consumption, distance travelled and deadweight at maximum summer draught, reported in unit grams of CO2 per tonne per mile and calculated as follows:

$$AER = \frac{\sum_i C_i}{\sum_i dwt D_i}$$

where:

(a) Ci is based on fuel consumption multiplied by the relevant CO2 factor (3.114 for Heavy Fuel Oil (HFO), 3.15104 for Low Fuel Oil (LFO), 3.206 for Marine Diesel Oil (MDO) and the relevant CO2 factor for biofuel) per departure voyage i;

(b) dwt is the deadweight at maximum summer draught of the relevant AER Reference Vessel;

(c) Di is the distance travelled on the voyage; and

(d) such calculation is based on all voyages performed by that AER Reference Vessel during that calendar year,

as certified by an Approved Classification Society.

"**AER Delta Average**" means, in relation to a calendar year, the aggregated AER Vessel Delta for the AER Reference Vessels for that calendar year.

"**AER Reference Vessels**" means:

(a) in respect of Tranche A, Tranche B or Tranche C all tanker vessels owned by the Group; and

(b) in respect of Tranche D and Tranche E all dry bulk vessels owned by a member of the Group.

"**AER Trajectory Values**" means, in relation to an AER Reference Vessel, the relevant value defined in the following Poseidon Principles reporting guidance sheet for each respective year and vessel size relevant to that AER Reference Vessel - https://www.poseidonprinciples.org/wp-content/uploads/2020/06/Poseidon-Principles-Reporting-and-Trajectories-Guidance-Sheet.pdf.

"**AER Vessel Delta**" means, in relation to an AER Reference Vessel, the difference between the AER and the AER Trajectory Value in respect of that AER Reference Vessel.

"**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 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto.

"**Applicable Margin**" means:

(a) the Initial Margin; or

(b) on and from 1 January 2022 and at any time thereafter at which it falls to be determined, the Initial Margin as adjusted by the relevant Sustainable Margin Adjustment, as determined in accordance with Clause 9.6 (*Margin Adjustment*).

"**Approved Brokers**" means any firm or firms of insurance brokers approved in writing by the Facility Agent (acting on the instructions 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*) with the relevant Approved Classification Society or the equivalent classification with another Approved Classification Society or any other classification approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders (such consent not to be unreasonably withheld).

"**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*) 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 Panama, Liberia, Marshall Islands 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.

"**Approved Manager**" means as at the date of this Agreement:

(a) in relation to Ship D and Ship E, Navios Shipmanagement Inc., Navios Technical Management S.A. and Navios Corporation Management Inc., each a corporation domesticated 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;

(b) in relation to Ship A, Ship B and Ship C, 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; and/or,

or 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 Shipbroking Group, Fearnleys A/S, Braemar ACM Shipbroking, Clarksons Valuation Limited, Simpson Spence & Young Ltd, Maersk Broker KS, MSI Valuation and Howe Robinson (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.

"**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 12 months or more or any bareboat charter entered into in accordance with Clauses 25.16 (*Restrictions on chartering, appointment of managers etc.*) and 25.19 (*Charterparty Assignment*).

"**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, in relation to each Tranche, the period from and including the date of this Agreement to and including 31 December 2021, 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 any Advance 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.

"Backstop Rate Switch Date" means 31 March 2023 or any other date agreed as such between the Facility Agent, the Majority Lenders and the Borrowers.

"**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 Instalments**" has the meaning given in Clause 6.1 (*Repayment of Loan*).

"**Borrower**" means Borrower A, Borrower B, Borrower C, Borrower D or Borrower E.

"**Break Costs**" means the amount (if any) by which:

(a) in respect of any Term Rate Loan, the amount (if any) by which:

(i) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or an Unpaid Sum to the last day of the current Interest Period in relation to the Loan, the relevant part of the Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period

exceeds

(ii) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period; and

(b) in respect of any Compounded Rate Loan, any amount specified as such in the Compounded Rate Terms.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Athens and New York, on or after the Rate Switch Date, 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 a Compounded Rate Loan or otherwise in relation to the determination of the length of such an Interest Period,

an Additional Business Day.

"**Central Bank Rate**" has the meaning given to that term in the Compounded Rate Terms.

"**Central Bank Rate Adjustment**" has the meaning given to that term in the Compounded 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 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 United States 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 B 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.

"**Compliance Certificate**" means a certificate in the form set out in Schedule 6 (*Form of Compliance Certificate*) or in any other form agreed between the Guarantor and the Facility Agent.

"**Compounded Rate Interest Payment**" means the aggregate amount of interest that:

(a) is, or is scheduled to become, payable under any Finance Document; and

(b) relates to a Compounded Rate Loan.

"**Compounded Rate Loan**" means the Loan, part of the Loan or, if applicable, Unpaid Sum which is, or becomes, a "Compounded Rate Loan" pursuant to Clause 8 (*Rate Switch*).

"**Compounded 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 Compounded Rate Terms; and

(c) has been made available to the Borrowers and each Finance Party.

"**Compounded Rate Terms**" means the terms set out in Schedule 9 (*Compounded Rate Terms*) or in any Compounded Rate Supplement.

"**Compounded Reference Rate**" means, in relation to any RFR Banking Day during the Interest Period of a Compounded Rate Loan, the percentage rate per annum which is the aggregate of:

(a) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day; and

(b) the applicable Credit Adjustment Spread.

"**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 46 (*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 or Reference Bank Quotation.

"**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 an Obligor owes to a Secured Party under or in connection with the Finance Documents.

"**Credit Adjustment Spread**" means, in respect of any Compounded Rate Loan, any rate which is specified as such in the Compounded Rate Terms.

"**Cumulative Compounded RFR Rate**" means, in relation to an Interest Period for a Compounded Rate 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 a Compounded Rate 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 10 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Rate**" means the rate specified as such in the Compounded 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 each Existing Loan Agreement, any deed releasing the Borrowers from their obligations under that Existing Loan Agreement and any relevant Existing Security under that Existing Loan Agreement 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 in relation to a Borrower:

(a) an account in the name of that Borrower with the Facility Agent designated "[*name of borrower*]—Earnings Account";

(b) any other account (with that or another office of the Facility Agent) which is designated by the Facility Agent as the Earnings Account for the purposes of this Agreement; or

(c) any sub-account of any account referred to in paragraphs (a) or (b) 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 Laws.

"**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 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 (Text with EEA relevance).

"**Event of Default**" means any event or circumstance specified as such in Clause 28 (*Events of Default*).

"**Existing Indebtedness**" means, in relation to each Borrower, the existing indebtedness relevant to that Borrower under that Existing Loan Agreement.

"**Existing Loan Agreement**" means:

(a) in relation to Borrower A, the loan agreement dated 18 December 2015 (as amended and supplemented from time to time) and made between (i) Borrower A and Antipaxos Shipping Corporation as joint and several borrowers, (ii) the banks and financial institutions listed in schedule 1 as lenders and (iv) BNP Paribas as agent and security trustee;

(b) in relation to Borrower B and Borrower C, the loan agreement dated 29 December 2021 (as amended and supplemented from time to time) and made between (i) Borrower B and Borrower C as joint and several borrowers, (ii) the banks and financial institutions listed in schedule 1 as lenders and (iv) DVB Bank SE as agent and security trustee; and

(c) in relation to Borrower D and Borrower E, the loan agreement dated 5 April 2019 (as amended and supplemented from time to time) and made between (i) Borrower D and Borrower E as joint and several borrowers, (ii) the Guarantor, (iii) the banks and financial institutions listed in schedule 1 as lenders and (iv) DNB Bank ASA as facility agent, security agent and mandated lead arranger.

"**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 Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

"**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 Sustainability Agent, the Mandated Lead Arranger and any Obligor setting out any of the fees referred to in Clause 12 (*Fees*).

"**Finance Document**" means:

(a) this Agreement;

(b) any Fee Letter;

(c) any Utilisation Request;

(d) any Compounded Rate Supplement;

(e) any Compounding Methodology Supplement;

(f) any Security Document;

(g) any other document which is executed for the purpose of establishing any priority or subordination arrangement in relation to the Secured Liabilities; or

(h) any other document designated as such by the Facility Agent and the Borrowers.

"**Finance Party**" means the Facility Agent, the Security Agent, the Sustainability Agent, the Mandated Lead Arranger or a Lender.

"**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 11.4 (*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) the Earnings, the Insurances and any Requisition Compensation in relation to that Ship; and

(b) any Charter and any Charter Guarantee,

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 Ship) 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.

"**Holding Company**" means, in relation to a person, any other person in relation to which it is a Subsidiary.

"**IHM**" means an inventory of hazardous materials ("**IHM**") classification in respect of a Ship from the Approved Classification Society.

"**Indemnified Person**" has the meaning given to it in Clause 15.2 (*Other indemnities*).

"Initial Margin" means 2.75 per cent. per annum.

"**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 3.5 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 Date**" has the meaning given to it in paragraph (a) of Clause 9.3 (*Payment of interest*).

"**Interest Period**" means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.4 (*Default interest*).

"**Interpolated Screen Rate**" means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

(a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Term Rate Loan; and

(b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Term Rate Loan,

each as of the Specified Time for dollars.

"**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 in accordance with Clause 29 (*Changes to the Lenders*),

which in each case has not ceased to be a Party in accordance with this Agreement.

"**LIBOR**" means, in relation to any Term Rate Loan:

(a) the applicable Screen Rate as of the Specified Time for dollars and for a period equal in length to the Interest Period of that Term Rate Loan; or

(b) as otherwise determined pursuant to Clause 11.1 (*Unavailability of Screen Rate before Rate Switch Date*),

and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.

"**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 an Advance, a Tranche, any part of a Tranche or any other part of the Loan as the context may require.

"Lookback Period" means the number of days specified as such in the Compounded 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 $500,000 or the equivalent in any other currency.

"**Majority Lenders**" means:

(a) if no Advance has yet been 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 agreement entered into between the Borrower owning that Ship and the Approved Manager regarding the commercial and technical management of that 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.

"Market Disruption Rate" means the rate specified as such in the Compounded 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 Clause 26.7(a) (*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 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 a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

(a) other than where paragraph (b) applies:

  (i) (subject to paragraph (iii) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;

  (ii) 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 Business Day in that calendar month; and

(iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

(b) in relation to an Interest Period for any Compounded Rate Loan (or any other period for the accrual of commission or fees after the Rate Switch Date) for which there are rules specified as "Business Day Conventions" in the Compounded Rate Terms, those rules shall apply.

The above rules will only apply to the last Month of any period.

"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.

"**Obligor**" means a Borrower or the Guarantor.

"**Original Financial Statements**" means the annual audited consolidated financial statements of the Group for its financial year ended 31 December 2020.

"**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 an Obligor owes to the Security Agent under Clause 32.2 (*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, 12 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 relevant Utilisation Date, the relevant 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 relevant Existing Security;

(b) Security created by the Finance Documents or disclosed in writing to the Facility Agent prior to the signing of this Agreement and acceptable to the Facility Agent;

(c) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(d) liens for unpaid master's and crew's wages in accordance with first-class ship ownership and management practice;

(e) liens for salvage;

(f) liens for master's disbursements incurred in the ordinary course of trading; and

(g) 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 25.16 (*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 from time to time.

"**Potential Event of Default**" means any event or circumstance specified in Clause 28 (*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 13.1 (*Definitions*).

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Market in which case the Quotation Day will be determined by the Facility Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given by leading banks in the Relevant Market on more than one day, the Quotation Day will be the last of those days).

"Quoted Tenor" means any period for which the Screen Rate is customarily displayed on the relevant page or screen of an information service (other than for one week and two months).

"Rate Switch Date" means the earlier of:

(a) the Backstop Rate Switch Date; and

(b) any Rate Switch Trigger Event Date.

"Rate Switch Trigger Event" means:

(a)

(i)

(A) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or

(B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;

(ii) the administrator of the Screen Rate publicly announces that it has ceased or will cease, to provide the Screen Rate for any Quoted Tenor permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate for that Quoted Tenor;

(iii) the supervisor of the administrator of the Screen Rate publicly announces that the Screen Rate has been or will be permanently or indefinitely discontinued for any Quoted Tenor; or

(iv) the administrator of the Screen Rate or its supervisor publicly announces that the Screen Rate for any Quoted Tenor may no longer be used; or

(b) the supervisor of the administrator of the Screen Rate publicly announces or publishes information:

(i) stating that the Screen Rate for any Quoted Tenor is no longer, or as of a specified future date will no longer be, representative of the underlying market and the economic reality that it is intended to measure and that such representativeness will not be restored (as determined by such supervisor); and

(ii) with awareness that any such announcement or publication will engage certain triggers for fallback provisions in contracts which may be activated by any such pre-cessation announcement or publication; or

(c) the date agreed in writing between the Borrowers, the Facility Agent and the Lenders.

"Rate Switch Trigger Event Date" means:

(a) in the case of an occurrence of a Rate Switch Trigger Event described in sub-paragraph (i) of paragraph (a) of the definition of Rate Switch Trigger Event, the date on which the Screen Rate ceases to be published or otherwise becomes unavailable;

(b) in the case of an occurrence of a Rate Switch Trigger Event described in sub-paragraph (ii), (iii) or (iv) of paragraph (b) (a) of the definition of Rate Switch Trigger Event, the date on which the Screen Rate for the relevant Quoted Tenor ceases to be published or otherwise becomes unavailable;

(c) in the case of an occurrence of a Rate Switch Trigger Event described in paragraph (b) of the definition of Rate Switch Trigger Event, the date on which the Screen Rate for the relevant Quoted Tenor ceases to be representative of the underlying market and the economic reality that it is intended to measure (as determined by the supervisor of the administrator of such Screen Rate); and

(d) in the case of an occurrence of a Rate Switch Trigger Event described in paragraph (c) of the definition of Rate Switch Trigger Event, the date so agreed.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

"**Reference Bank Quotation**" means any quotation supplied to the Facility Agent by a Reference Bank.

"**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Facility Agent at its request by the Reference Banks:

(a) if:

(i) the Reference Bank is a contributor to the Screen Rate; and

(ii) it consists of a single figure,

as the rate (applied to the relevant Reference Bank and the relevant currency and period) which contributors to the Screen Rate are asked to submit to the relevant administrator; or

(b) in any other case, as the rate at which the relevant Reference Bank could fund itself in dollars for the relevant period with reference to the unsecured wholesale funding market.

"**Reference Banks**" means the principal London offices of each of the Lenders or such other banks as may be appointed by the Facility Agent with the approval of the Majority Lenders in consultation with the Borrowers.

"**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:

(a) subject to paragraph (b) below, the London interbank market; and

(b) on or after the Rate Switch Date, the market specified as such in the Compounded 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 20 (*Representations*) except Clause 20.10 (*Insolvency*), Clause 20.11 (*No filing or stamp taxes*) and Clause 20.12 (*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 specified as such in the Compounded Rate Terms.

"Reporting Time" means the relevant time (if any) specified as such in the Compounded 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 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 (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; 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) (b) above.

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"RFR" means the rate specified as such in the Compounded Rate Terms.

"RFR Banking Day" means any day specified as such in the Compounded 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 United Nations, the European Union, the Member States of 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.

"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 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.

"Sanctions" means any applicable (to any Relevant Person and/or Finance Party as the context provides) laws, regulations or orders concerning any trade, economic or financial sanctions or embargoes.

"**Screen Rate**" means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for dollars for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page LIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate).

"**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 Manager's Undertaking;

(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 (*Requests*) given in accordance with Clause 10 (*Interest Periods*).

"**Servicing Party**" means the Facility Agent or the Security Agent.

"**Shareholder**" means:

(a) in relation to Borrower A, Borrower B and Borrower C, 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;; and

(b) in relation to Borrower D and Borrower E, Navios Maritime Operating L.L.C., 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,

and, in the plural means both of them.

"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, Ship C, Ship D or Ship E.

"**Ship A**" has the meaning given to that term in Schedule 8 (*Details of the Ships*).

"**Ship B**" has the meaning given to that term in Schedule 8 (*Details of the Ships*).

"**Ship C**" has the meaning given to that term in Schedule 8 (*Details of the Ships*).

"**Ship D**" has the meaning given to that term in Schedule 8 (*Details of the Ships*).

"**Ship E**" has the meaning given to that term in Schedule 8 (*Details of the Ships*).

"**Specified Time**" means a day or time determined in accordance with Schedule 7 (*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.

"Sustainability Certificate" means, in relation to a calendar year, a certificate in respect of Tranche A, Tranche B and Tranche C and a certificate in respect Tranche D and Tranche E addressed to the Facility Agent and the Sustainability Agent and in the form set out in Schedule 12 (*Form of Sustainability Certificate*) or any other form agreed between the Borrowers and the Sustainability Agent and, in the plural means both of them.

"Sustainable Margin Adjustment" means an adjustment to the Applicable Margin subject to and in accordance with Clause 9.6 (*Margin Adjustment*).

"**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 13.1 (*Definitions*).

"**Tax Deduction**" has the meaning given to it in Clause 13.1 (*Definitions*).

"**Tax Payment**" has the meaning given to it in Clause 13.1 (*Definitions*).

"**Term Rate Loan"** means the Loan, any part of the Loan or, if applicable, Unpaid Sum which is not a Compounded Rate Loan.

"**Termination Date**" means, in relation to each Tranche, the earlier of the date falling on (i) the fifth anniversary of the Utilisation Date and (ii) 31 December 2026.

"**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 an amount of up to $72,710,000.

"**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 90 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 case of hijacking, if the relevant underwriters confirm to the Facility Agent in writing (in customary terms) prior to the end of the 90 day period that that Ship will be covered by that Borrower's war risk insurance, the shorter of 12 months and the period for which such cover is confirmed to attach.

"**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.

"**Tranche**" means Tranche A, Tranche B, Tranche C, Tranche D or Tranche E.

"**Tranche A**" means that part of the Loan made or to be made available to the Borrowers to refinance to Existing Indebtedness secured on Ship A.

"**Tranche B**" means that part of the Loan made or to be made available to the Borrowers to refinance to Existing Indebtedness secured on Ship B.

"**Tranche C**" means that part of the Loan made or to be made available to the Borrowers to refinance to Existing Indebtedness secured on Ship C.

"**Tranche D**" means that part of the Loan made or to be made available to the Borrowers to refinance to Existing Indebtedness secured on Ship D.

"**Tranche E**" means that part of the Loan made or to be made available to the Borrowers to refinance the Existing Indebtedness secured on Ship E.

"**Transaction Document**" means:

(a) a Finance Document;

(b) any Assignable Charter;

(c) any Charter Guarantee; or

(d) any other document designated as such by the Facility Agent and a Borrower.

"**Transaction Obligor**" means an Obligor, the Shareholders, 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 of the Utilisation, being the date on which all the Advances are to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Part A of Schedule 3 (*Requests*).

"**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 any other applicable Bail In Legislation other than the UK Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation; and

(c) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

(i) the "**Facility Agent**", any "**Finance Party**", the "**Mandated Lead Arranger**", the "**Sustainability Agent**", 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, 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;

(xiv) a provision of law is a reference to that provision as amended or re-enacted;

(xv) a time of day is a reference to London time;

(xvi) 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;

(xvii) words denoting the singular number shall include the plural and vice versa; and

(xviii) "**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) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

(c) 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.

(d) 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.

(e) 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.

(f) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

(g) Any Compounded Rate Supplement overrides anything in:

(i) Schedule 9 (*Compounded Rate Terms*); or

(ii) any earlier Compounded Rate Supplement.

(h) 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) Schedule 10 (*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.

(i) 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 24 (*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 24 (*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), clause 24 , 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clause 23 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision.

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 45.2 (*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) Subject to Clause 45.3 (*Other exceptions*) but otherwise 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 15.2 (*Other indemnities*), Clause 31.21 (*Role of Reference Banks*), Clause 31.22 (*Third Party Reference Banks*) 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.

SECTION 2

THE FACILITY

2 THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrowers, in five Tranches, a term loan facility 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 any Advance is made available:

(i) no Default has occurred or would occur from the proposed Utilisation;

(ii) the Repeating Representations to be made by each Transaction Obligor are true; and

(iii) no Ship has been sold or become a Total Loss; and

(b) on or before the Utilisation Date, the Facility Agent has received, or is satisfied it will receive when the Advances are 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*) and 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 an Advance to be borrowed before any of the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) or 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.

SECTION 3

UTILISATION

5 UTILISATION

5.1 Delivery of a Utilisation Request

(a) The Borrowers may utilise the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than the Specified Time.

(b) The Borrowers may not deliver more than one Utilisation Request under each Tranche and all Tranches shall be drawn simultaneously on the same Utilisation Date unless otherwise agreed by the Facility Agent.

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 10 (*Interest Periods*)

5.3 Currency and amount

(a) The currency specified in a Utilisation Request must be dollars.

(b) The amount of the proposed Advance must be an amount which is not more than the lower of:

(i) in relation to the Advance under Tranche A, $15,000,000 and 62,5% of the Initial Market Value of Ship A,

(ii) in relation to the Advance under Tranche B, $15,500,000 and 62,5% of the Initial Market Value of Ship B,

(iii) in relation to the Advance under Tranche C, $15,500,000 and 62,5% of the Initial Market Value of Ship C,

(iv) in relation to the Advance under Tranche D, $16,150,000, and

(v) in relation to the Advance under Tranche E, $10,560,000,

provided that the aggregate amount of all Tranches shall not exceed $72,710,000.

(c) The amount of the proposed Advance 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 26 (*Security Cover*) were applied and notice was given by the Facility Agent under Clause 26.1 (*Minimum required security cover*) immediately after that Advance 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 each Advance available by the Utilisation Date through its Facility Office.

(b) The amount of each Lender's participation in each Advance will be equal to the proportion borne by its Available Commitment to the Available Facility immediately before making that Advance.

(c) The Facility Agent shall notify each Lender of the amount of each Advance and the amount of its participation in that Advance by the Specified Time.

5.5 Payment to third parties

The Borrowers irrevocably authorise the Facility Agent on the Utilisation Date to pay to, or for the account of, the Borrowers the amounts which the Facility Agent receives from the Lenders in respect of the relevant Advance. That payment shall be made in like funds as the Facility Agent received from the Lenders in respect of the relevant Advance to the account which the Borrowers specify in the Utilisation Request.

5.6 Cancellation of Commitments

The Commitments in respect of any Tranche which are unutilised at the end of the Availability Period for such Tranche shall then be cancelled.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6 REPAYMENT

6.1 Repayment of Loan

(a) The Borrowers shall repay:

(i) Tranche A:

(A) by 19 consecutive quarterly instalments in the amount of $460,000 each (each a "**Tranche A Instalment**" and together the "**Tranche A Instalments**"); and

(B) a balloon instalment in the amount of $6,260,000 (the "**Tranche A Balloon Instalment**");

(ii) Tranche B:

(A) by 19 consecutive quarterly instalments in the amount of $400,000 each (each a "**Tranche B Instalment**" and together the "**Tranche B Instalments**"); and

(B) a balloon instalment in the amount of $7,900,000 (the "**Tranche B Balloon Instalment**");

(iii) Tranche C:

(A) by 19 consecutive quarterly instalments in the amount of $415,000 each (each a "**Tranche C Instalment**" and together the "**Tranche C Instalments**"); and

(B) a balloon instalment in the amount of $7,615,000 (the "**Tranche C Balloon Instalment**");

(iv) Tranche D:

(A) by 19 consecutive quarterly instalments in the amount of $475,000 each (each a "**Tranche D Instalment**" and together the "**Tranche D Instalments**"); and

(B) a balloon instalment in the amount of $7,125,000 (the "**Tranche D Balloon Instalment**");

(v) Tranche E:

(A) by 19 consecutive quarterly instalments in the amount of $480,000 each (each a "**Tranche E Instalment**" and together the "**Tranche E Instalments**" and together with the Tranche A Instalments, the Tranche B Instalments, the Tranche C Instalments and the Tranche D Instalments, the "**Repayment Instalments**"); and

(B) a balloon instalment in the amount of $1,440,000 (the "**Tranche E Balloon Instalment**" and together with the Tranche A Balloon Instalment, the Tranche B Balloon Instalment, the Tranche C Balloon Instalment and the Tranche D Balloon Instalment, the "**Balloon Instalments**").

6.2 Repayment Dates

The first Repayment Instalment in respect of each Tranche shall be repaid on the date falling 3 Months from the Utilisation Date, each subsequent Repayment Instalment in respect of that Tranche shall be repaid at quarterly intervals thereafter and each relevant 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 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality*) then the relevant Repayment Instalments and the relevant Balloon Instalment 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 5.6 (*Cancellation of Commitments*), then the Repayment Instalments and the Balloon Instalments 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 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or Clause 7.1 (*Illegality*) then the relevant Repayment Instalments and the relevant Balloon Instalment 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*), then such prepayment shall be applied against each Tranche and the amount of the Repayment Instalments for each Tranche 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 be applied against the Tranche which has been used in respect of the relevant Ship and thereafter any balance shall reduce the then outstanding Repayment Instalments and the Balloon Instalments of the other Tranches 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

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in an Advance or 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; and

(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 cancelled in the amount of the participation prepaid.

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 Business 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.

(c) In this Clause 7.2 (*Change of control*):

"**Change of Control**" means a change which results in:

(a) 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) ceasing to be the owner of, or having ultimate control of the voting rights attaching to more than 5 per cent. of all the units (including for the avoidance of doubt both general partner units and common units) in the Guarantor; or

(b) 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), 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

(c) 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

(d) 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 (d) above "**control**" means the holding beneficially or more than 50 per cent. of the issued shares of the Guarantor (excluding any part of those issued shares that carries no right to participate beyond a specified amount in a distribution of either profits or capital);

For the purpose of paragraph (d) 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 5 Business 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 and the amount of the relevant Tranche(s).

(b) The unutilised Commitment (if any) of each Lender shall be automatically cancelled at close of business on the date on which the Advances are made available.

7.4 Voluntary prepayment of Loan

The Borrowers may, if it gives the Facility Agent:

(a) in the case of a Term Rate Loan, not less than 5 Business Days' (or such shorter period as the Majority Lenders may agree) prior notice; or

(b) in the case of a Compounded Rate Loan, 5 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).

7.5 Mandatory prepayment on sale, seizure or Total Loss

(a) If a Ship is sold (without prejudice to paragraph (a) of Clause 23.12 (*Disposals*)) or becomes a Total Loss, the Borrowers shall on the Relevant Date prepay an amount equal to the higher of (i) the Tranche applicable to that Ship and (ii) the Relevant Percentage of the Loan.

(b) In this Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*):

"**Index Amount**" means, in relation to each Ship, as at the Relevant Date, the amount of the Market Value for that Ship as shown in the then most recent valuation of that Ship provided to the Facility Agent pursuant to this Agreement.

"**Relevant Date**" means:

(e) in the case of a sale of a Ship, on the date on which the sale is completed by delivery of that Ship to the buyer of that Ship; and

(f) in the case of any piracy or capture, seizure, confiscation or detention (including hijacking or theft) of that Ship, where that Ship is not within 90 days redelivered to the full control of the relevant Borrower, on or before the date falling 97 days after the date of the piracy or capture, seizure, confiscation or detention (including hijacking or theft) of that Ship, Provided that the relevant underwriters confirm to the Facility Agent in writing (in customary terms) within 30 days of the piracy event that adequate war risks insurance cover is in place in respect of that Ship; or

(g) in the case of a Total Loss, on the earlier of (i) the date falling 180 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.

"**Relevant Percentage**" means: an amount calculated by reference to the following formula:

$$\frac{A}{B} \times \frac{100}{1}$$

where:

A = the Index Amount of the Ship to be sold or which becomes a Total Loss; and

B = the aggregate amount of the Index Amounts of the Ships (excluding any Ship already sold or which has already become a Total Loss in respect of which a prepayment has been made under this Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*)) before the Relevant Date.

7.6 Right of repayment and cancellation in relation to a single Lender

(a) If:

(i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause13.2 (*Tax gross-up*); or

(ii) any Lender claims indemnification from a Borrower under Clause 13.3 (*Tax indemnity*) or Clause 14 (*Increased costs*),

the Borrowers may give the Facility Agent notice of cancellation of the Commitment of that Lender and their intention to procure the repayment of that Lender's participation in the Loan.

(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 29 (*Changes to the Lenders*) (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 29 (*Changes to the Lenders*) 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 29.9 (*Pro rata interest settlement*), Break Costs 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 Servicing Party;

(ii) neither the Facility Agent nor any Lender shall have any obligation to find a replacement Lender;

(iii) 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

(iv) 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 (iv) 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.

7.7 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 any Break Costs, 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, 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.

7.8 Application of prepayments

Any prepayment of any part of the Loan (other than a prepayment pursuant to Clause 7.1 (*Illegality*)) or Clause 7.6 (*Right of 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 RATE SWITCH

8.1 Switch to Compounded Reference Rate

Subject to Clause 8.2 (*Delayed switch for existing Term Rate Loans*), on and from the Rate Switch Date:

(a) use of the Compounded Reference Rate will replace the use of LIBOR for the calculation of interest for any part of the Loan; and

(b) the Loan or any part of the Loan or Unpaid Sum shall be a "Compounded Rate Loan" and Clause 9.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to the Loan any such part of the Loan or Unpaid Sum.

8.2 Delayed switch for existing Term Rate Loans

If the Rate Switch Date falls before the last day of an Interest Period for a Term Rate Loan:

(a) the Loan, relevant part of the Loan or Unpaid Sum (as applicable) shall continue to be a Term Rate Loan for that Interest Period and Clause 9.1 (*Calculation of interest – Term Rate Loans*) shall continue to apply to the Loan relevant part of the Loan or Unpaid Sum (as applicable) for that Interest Period;

(b) any provision of this Agreement which is expressed to relate solely to a Compounded Rate Loan shall not apply in relation to the Loan, the relevant part of the Loan or Unpaid Sum (as applicable) for that Interest Period; and

(c) on and from the first day of the next Interest Period (if any) for the Loan, relevant part of the Loan or Unpaid Sum (as applicable):

(i) the Loan, the relevant part of the Loan or Unpaid Sum (as applicable) shall be a "Compounded Rate Loan"; and

(ii) Clause 9.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to it.

8.3 Early termination of Interest Periods for existing Term Rate Loans

If:

(a) an Interest Period for a Term Rate Loan would otherwise end on a day which falls after the Rate Switch Date; and

(b) before the date of selection of that Interest Period:

(i) the Backstop Rate Switch Date was scheduled to occur during that Interest Period; or

(ii) notice of a Rate Switch Trigger Event Date falling during that Interest Period had been given pursuant to sub-paragraph (ii) of paragraph (a) of Clause 8.4 (*Notifications by Facility Agent*),

that Interest Period will instead end on the Rate Switch Date.

8.4 Notifications by Facility Agent

(a) Subject to paragraph (c) below, following the occurrence of a Rate Switch Trigger Event, the Facility Agent shall:

(i) promptly upon becoming aware of the occurrence of that Rate Switch Trigger Event, notify the Borrowers and the Lenders of that occurrence; and

(ii) promptly upon becoming aware of the date of the Rate Switch Trigger Event Date, notify the Borrowers and the Lenders of that date.

(b) The Facility Agent shall, promptly upon becoming aware of the occurrence of the Rate Switch Date, notify the Borrowers and the Lenders of that occurrence.

(c) The Parties agree that the FCA Cessation Announcement constitutes a Rate Switch Trigger Event, that the Rate Switch Trigger Event Date applicable to such Rate Switch Trigger Event will be 1 July 2023 and that the Facility Agent is not under any obligation under paragraph (a) above to notify any Party of such Rate Switch Trigger Event or Rate Switch Trigger Event Date resulting from the FCA Cessation Announcement.

(d) For the purposes of paragraph (c) above, the "FCA Cessation Announcement" means the announcement on 5 March 2021 by the UK's Financial Conduct Authority that all LIBOR settings will, as of certain specified future dates, either cease to be provided by any administrator or no longer be representative of the market and economic reality that they are intended to measure and that such representativeness will not be restored.

9 INTEREST

9.1 Calculation of interest Term Rate Loan

The rate of interest on each Tranche of each Term Rate Loan in respect of an Interest Period is the percentage rate per annum which is the aggregate of:

(a) the Applicable Margin; and

(b) LIBOR,

for that Interest Period.

9.2 Calculation of interest – Compounded Rate Loans

(a) The rate of interest on each Tranche of each Compounded Rate Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of:

(i) the Applicable Margin; and

(ii) the Compounded Reference Rate for that day.

(b) If any day during an Interest Period for a Compounded Rate Loan is not an RFR Banking Day, the rate of interest on that Compounded Rate Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

9.3 Payment of interest

(a) 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**").

(b) If an Interest Period is longer than 3 Months, the Borrowers shall also pay interest then accrued on the Loan or the relevant part of the Loan on the dates falling at 3 Monthly intervals after the first day of the Interest Period.

9.4 Default interest

(a) If a Transaction Obligor fails to pay any amount payable by it under a Finance Document 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, subject to paragraphs (b) and (c) below, 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 9.4 (*Default interest*) shall be immediately payable by the Obligor on demand by the Facility Agent.

(b) Without prejudice to the rights of the Finance Parties under Clause 28.20 (*Acceleration*), if the Facility Agent (acting on the instructions of the Majority Lenders) gives written notice to the Borrowers of the occurrence of an Event of Default which is continuing and demands payment of interest under this paragraph (b) of Clause 9.4 (*Default interest*), interest shall accrue on the amount of the Loan from the date of such notice up to the date on which the Facility Agent (acting on the instructions of the Majority Lenders) gives notice to the Borrowers that such Event of Default is no longer continuing. Interest shall accrue at a rate which is 2 per cent per annum higher than the applicable rate for each part of the Loan.

(c) If an Unpaid Sum consists of all or part of the Term Rate Loan which became due on a day which was not the last day of an Interest Period relating to the Loan or that part of the Term Rate Loan:

(i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or that part of the Loan; and

(ii) the rate of interest applying to that Unpaid Sum during that first Interest Period shall be 2 per cent. per annum higher than the rate which would have applied if that Unpaid Sum had not become due.

(d) 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.

9.5 Notification of rates of interest

(a) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to a Term Rate Loan.

(b) The Facility Agent shall promptly upon a Compounded Rate Interest Payment being determinable, notify:

(i) the Borrowers of that Compounded Rate Interest Payment;

(ii) each Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant Compounded Rate Loan; and

(iii) the Lenders and the Borrowers of:

(A) each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment; and

(B) to the extent it is then determinable, the Market Disruption Rate relating to the relevant Compounded Rate Loan. The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan, any part of the Loan or any Unpaid Sum.

(c) The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan or any Unpaid Sum.

(d) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to a Compounded Rate Loan to which Clause 11.4 (*Cost of funds*) applies.

(e) This Clause 9.5 (*Notification of rates of interest*) shall not require the Facility Agent to make any notification to any Party on a day which is not a Business Day.

9.6 Margin Adjustment

(a) If, on and from 1 January 2022:

(i) the AER Delta Average for the preceding year in respect of the AER Reference Vessels is less than or equal to zero, as evidenced by the relevant Sustainability Certificates delivered to the Sustainability Agent in accordance with Clause 21.3 (*Compliance Certificate and Sustainability Certificate*), the Applicable Margin for the relevant Tranche shall be 2.70 per cent per annum until the earlier of:

(A) the date of delivery of the next Sustainability Certificate relating to that Tranche; and

(B) the date falling 121 days after the end of the then current financial year of the Guarantor;

(ii) the AER Delta Average for the preceding year in respect of the AER Reference Vessels is greater than zero as evidenced by the relevant Sustainability Certificates delivered to the Sustainability Agent in accordance with Clause 21.3 (*Compliance Certificate and Sustainability Certificate*s), or if the Guarantor has failed to provide the relevant Sustainability Certificates, the Applicable Margin for the relevant Tranche shall be 2.80 per cent per annum until the date of delivery of the next Sustainability Certificate relating to that Tranche.

(b) In determining the Applicable Margin for a calendar year, any Sustainable Margin Adjustment determined by reference to a particular calendar year applies from the next Interest Period after the date on which the Sustainability Agent confirms receipt of the relevant Sustainability Certificates in form and substance satisfactory to the Sustainability Agent and in accordance with Clause 21.3 (*Compliance Certificate and Sustainability Certificates*) relating to that calendar year (confirmation thereof to be confirmed by the Sustainability Agent within 5 Business Days after the receipt of such certificate).

10 INTEREST PERIODS

10.1 Selection of Interest Periods

(a) The Borrowers may select the Interest Period for a Tranche in the Utilisation Request. Subject to paragraph (f) below and Clause 10.2 (*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 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 paragraph (f) below and Clause 10.2 (*Changes to Interest Periods*), be 3 Months or, if the Loan is a Compounded Rate Loan, the period specified in the Compounded Rate Terms.

(d) Subject to this Clause 10 (*Interest Periods*), the Borrowers may select an Interest Period of three or six Months if the Loan is not a Compounded Rate Loan, or if the Loan is a Compounded Rate Loan, of any period specified in the Compounded Rate Terms, or in either case or any other period agreed between the Borrowers and the Facility Agent (acting on the instructions of all the Lenders).

(e) An Interest Period in respect of a Tranche 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 each Tranche shall start on the Utilisation Date and, subject to paragraph (h) below, 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 10.2 (*Changes to Interest Periods*), the Loan shall have one Interest Period only at any time.

(i) No Interest Period for a Compounded Rate Loan shall be longer than six Months.

(j) No Interest Period for a Compounded Rate Loan shall extend beyond Termination Date.

10.2 Changes to Interest Periods

(a) In respect of a Repayment Instalment, prior to determining the interest rate 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 10.1 (*Selection of Interest Periods*).

(b) If the Facility Agent makes any change to an Interest Period referred to in this Clause 10.2 (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.

10.3 Non-Business Days

(a) Other than where paragraph (b) below applies, if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(b) In respect of any Compounded Rate Loan, if there are rules specified as "Business Day Conventions" in the Compounded Rate Terms, those rules shall apply to each Interest Period for that Compounded Rate Loan.

11 CHANGES TO THE CALCULATION OF INTEREST

11.1 Unavailability of Screen Rate before Rate Switch Date

(a) *Interpolated Screen Rate*: If no Screen Rate is available for the Interest Period of the Loan or any part of the Loan, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of the Loan or that part of the Loan.

(b) *Reference Bank Rate*: If no Screen Rate is available for:

(i) dollars; or

(ii) the Interest Period of the Loan or any part of the Loan and it is not possible to calculate the Interpolated Screen Rate,

the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time and for a period equal in length to the Interest Period of the Loan or that part of the Loan.

(c) *Cost of funds*: If paragraph (b) above applies but no Reference Bank Rate is available for dollars or the relevant Interest Period there shall be no LIBOR for the Loan or that part of the Loan (as applicable) and Clause 11.4 (*Cost of funds*) shall apply to the Loan or that part of the Loan for that Interest Period.

11.2 Calculation of Reference Bank Rate

(a) Subject to paragraph (b) below, if LIBOR is to be determined on the basis of a Reference Bank Rate but a Reference Bank does not supply a quotation by the Specified Time, the Reference Bank Rate shall be calculated on the basis of the quotations of the remaining Reference Banks.

(b) If at or about noon on the Quotation Day none or only one of the Reference Banks supplies a quotation, there shall be no Reference Bank Rate for the relevant Interest Period.

11.3 Market disruption

(a) In the case of a Term Rate Loan, if before close of business in London on the Quotation Day for the relevant Interest Period the Facility Agent receives notification from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 50 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 LIBOR then Clause 11.4 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

(b) In the case of a Compounded Rate Loan, if:

(i) a Market Disruption Rate is specified in the Compounded Rate Terms for that Loan; and

(ii) 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 33.3 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 11.4 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

11.4 Cost of funds

(a) If this Clause 11.4 (Cost of funds) applies to the Loan or part of the Loan for an Interest Period neither Clause 9.1 (Calculation of interest - Term Rate Loans) nor Clause 9.2 (Calculation of interest - Compounded Rate Loans) shall apply to the Loan or that part of the Loan for that Interest Period and, the rate of interest on each Lender's share of the Loan or that part of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

(i) the Applicable 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:

(A) in relation to a Term Rate Loan, within five Business Days of the first day of that Interest Period (or, if earlier, on the date falling five Business Days before the date on which interest is due to be paid in respect of that Interest Period); or

(B) in relation to a Compounded Rate Loan, by the Reporting Time for that Compounded Rate 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 11.4 (*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 45.4 (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 11.4 (*Cost of funds*) applies pursuant to Clause 11.3 (Market disruption) and:

(i) in relation to a Term Rate Loan:

(A) a Lender's Funding Rate is less than LIBOR; or

(B) a Lender does not notify a rate to the Facility Agent by the time specified in sub-paragraph (ii) of paragraph (a) above,

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 paragraph (a) above, to be LIBOR.

(ii) in relation to a Compounded Rate Loan:

(A) a Lender's Funding Rate is less than the relevant Market Disruption Rate; or

(B) a Lender does not notify a rate to the Facility Agent by the time specified in sub-paragraph (ii) of paragraph (a) above,

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 paragraph (a) above, to be the Market Disruption Rate for that Compounded Rate Loan.

(f) If this Clause 11.4 (Cost of Funds) applies, the Facility Agent shall, as soon as practicable, notify the Borrowers.

11.5 Break Costs

(a) The Borrowers shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs (if any) attributable to all or any part of a Term Rate Loan being paid by a Borrower on a day other than the last day of an Interest Period for the Loan, the relevant part of the Loan or that Unpaid Sum.

(b) Paragraph (a) above shall apply in respect of a Compounded Rate Loan if an amount is specified as Break Costs in the Compounded Rate Terms.

(c) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

12 FEES

12.1 Upfront Fee

The Borrowers shall pay to the Facility Agent a non-refundable upfront fee in the amount and at the times agreed in the Fee Letter.

12.2 Commitment fee

(a) The Borrowers shall pay a non-refundable commitment fee payable to the Facility Agent on behalf of the Lenders computed at the rate of 40 per cent. of the Applicable Margin on that Lender's Available Commitment relating to Tranche A, Tranche B and Tranche C, from time to time for the Availability Period.

(b) The accrued commitment fee is payable quarterly in arrears during the period commencing on (and including) the date of this Agreement to the last day of the Availability Period (and on the last day of such period) and, if cancelled, on the cancelled amount of the relevant Lender's Commitment relating to Tranche A, Tranche B and Tranche C at the time the cancellation is effective.

SECTION 6

ADDITIONAL PAYMENT OBLIGATIONS

13 TAX GROSS UP AND INDEMNITIES

13.1 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 an Obligor to a Finance Party under Clause 13.2 (*Tax gross-up*) or a payment under Clause 13.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 13 (*Tax Gross Up and Indemnities*) reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination.

13.2 Tax gross-up

(a) Each Obligor 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 an Obligor 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 Obligor.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor 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 an Obligor is required to make a Tax Deduction, that Obligor 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 Obligor 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.

13.3 Tax indemnity

(a) The Obligors 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 13.2 (*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 Obligors.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Clause 13.3 (*Tax indemnity*), notify the Facility Agent.

13.4 Tax Credit

If an Obligor 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 Obligor 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 Obligor.

13.5 Stamp taxes

The Obligors 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.

13.6 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 13.6 (*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.

13.7 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.

13.8 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 Obligor and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

14 INCREASED COSTS

14.1 Increased costs

(a) Subject to Clause 14.3 (*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 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.

14.2 Increased cost claims

(a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*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.

14.3 Exceptions

Clause 14.1 (*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 an Obligor;

(b) attributable to a FATCA Deduction required to be made by a Party;

(c) compensated for by Clause 13.3 (*Tax indemnity*) (or would have been compensated for under Clause 13.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 13.3 (*Tax indemnity*) applied);

(d) compensated for by any payment made pursuant to Clause 15.3 (*Mandatory Cost*); or

(e) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

15 OTHER INDEMNITIES

15.1 Currency indemnity

(a) If any sum due from an Obligor 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 Obligor; or

(ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor 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 Obligor 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.

15.2 Other indemnities

(a) Each Obligor 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 an Obligor 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 34 (*Sharing among the Finance Parties*);

(iii) funding, or making arrangements to fund, its participation in an Advance 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 Obligor 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 15.2 (*Other indemnities*) an "**Indemnified Person**"), against any cost, loss or liability 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; 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 15.2 (*Other indemnities*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

15.3 Mandatory Cost

Each Borrower shall, on demand by the Facility Agent, pay to the Facility Agent for the account of the relevant Lender, such amount which any Lender certifies in a notice to the Facility Agent to be its good faith determination of the amount necessary to compensate it for complying with:

(a) in the case of a Lender lending from a Facility Office in a Participating Member State, the minimum reserve requirements (or other requirements having the same or similar purpose) of the European Central Bank (or any other authority or agency which replaces all or any of its functions) in respect of loans made from that Facility Office; and

(b) in the case of any Lender lending from a Facility Office in the United Kingdom, any reserve asset, special deposit or liquidity requirements (or other requirements having the same or similar purpose) of the Bank of England (or any other governmental authority or agency) and/or paying any fees to the Financial Conduct Authority and/or the Prudential Regulation Authority (or any other governmental authority or agency which replaces all or any of their functions),

which, in each case, is referable to that Lender's participation in the Loan.

15.4 Indemnity to the Facility Agent

Each Obligor 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 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 35.11 (*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.

15.5 Indemnity to the Security Agent

(a) Each Obligor shall, on demand, indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability 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 17 (*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 15.5 (*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.

16 MITIGATION BY THE FINANCE PARTIES

16.1 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*), Clause 13 (*Tax Gross Up and Indemnities*), Clause 14 (*Increased Costs*) or paragraph (a) of Clause 15.3 (*Mandatory Cost*) 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.

16.2 Limitation of liability

(a) Each Obligor 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 16.1 (*Mitigation*).

(b) A Finance Party is not obliged to take any steps under Clause 16.1 (*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.

17 COSTS AND EXPENSES

17.1 Transaction expenses

The Obligors shall, on demand, pay the Facility Agent, the Security Agent, the Mandated Lead Arranger and the Sustainability Agent 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.

17.2 Amendment costs

Subject to Clause 17.4 (*Reference rate transition costs*), if:

(a) a Transaction Obligor requests an amendment, waiver or consent; or

(b) an amendment is required pursuant to Clause 35.9 (*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 Obligors 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.

17.3 Enforcement and preservation costs

The Obligors 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.

17.4 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 Compounded Rate Supplement or Compounding Methodology Supplement; or

(b) any amendment, waiver or consent relating to:

(i) the transition to the Compounded Rate Terms;

(ii) any Compounded Rate Supplement or Compounding Methodology Supplement; or

(iii) any change arising as a result of an amendment required under Clause 45.4 (*Changes to reference rates)*.

SECTION 7

GUARANTEE AND JOINT AND SEVERAL LIABILITY OF BORROWERS

18 GUARANTEE AND INDEMNITY

18.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

(a) guarantees to each Finance Party punctual performance by each Transaction Obligor other than the Guarantor of all such other Transaction Obligor's obligations under the Finance Documents;

(b) undertakes with each Finance Party that whenever a Transaction Obligor other than the Guarantor does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

(c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of a Transaction Obligor other than the Guarantor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 18 (*Guarantee and Indemnity*) 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 Transaction Obligor under the Finance Documents, 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 Transaction Obligor 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 the Guarantor under this Clause 18 (*Guarantee and Indemnity*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

18.4 Waiver of defences

The obligations of the Guarantor under this Clause 18 (*Guarantee and Indemnity*) 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*) 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

The 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*). 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 Transaction Obligors under or in connection with the Finance Documents 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 the Guarantor shall not be entitled to the benefit of the same; and

(b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Clause 18 (*Guarantee and Indemnity*).

18.7 Deferral of Guarantor's rights

All rights which the 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, the Guarantor will not 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*):

(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 the Guarantor has given a guarantee, undertaking or indemnity under Clause 18.1 (*Guarantee and indemnity*);

(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 the 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 35 (*Payment Mechanics*).

18.8 Additional security

This guarantee and any other Security given by the 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 Guarantor's rights*) and 18.8 (*Additional security*) shall apply, with any necessary modifications, to any Security which the 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.

19 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

19.1 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.

19.2 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.

19.3 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.

19.4 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.

19.5 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.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

20 REPRESENTATIONS

20.1 General

Each Obligor makes the representations and warranties set out in this Clause 20 (*Representations*) to each Finance Party on the date of this Agreement.

20.2 Status

(a) It is a corporation or limited partnership, duly incorporated or formed 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.

20.3 Share capital and ownership

(a) Borrower A is authorised to issue 500 registered and/or bearer shares of $1.0 par value common stock, all of which shares have been issued in registered form and are fully paid and non-assessable.

(b) Each of Borrower B and Borrower C is authorised to issue 500 registered shares of $1.0 par value common stock, all of which shares have been issued in registered form and are fully paid and non-assessable.

(c) Borrower D is authorised to issue 500 registered shares of no par value common stock, all of which shares have been issued in registered form and are fully paid and non-assessable.

(d) Borrower E is authorised to issue 500 registered and/or bearer shares of no par value common stock, all of which shares have been issued in registered form and are fully paid and non-assessable.

(e) 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 relevant Shareholder and each Borrower is 100 per cent. owned indirectly by the Guarantor.

(f) None of the issued shares in any Borrower is subject to any option to purchase, pre-emption rights or similar rights.

20.4 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.

20.5 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.

20.6 Non-conflict with other obligations

The entry into and performance by it, 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.

20.7 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 a Borrower, its registration of the Ship owned by it under the applicable 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.

20.8 Validity and admissibility in evidence

All Authorisations required or desirable:

(a) to enable it to 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.

20.9 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.

20.10 Insolvency

No:

(a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 28.8 (*Insolvency proceedings*); or

(b) creditors' process described in Clause 28.9 (*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 28.7 (*Insolvency*) applies to a member of the Group.

20.11 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.

20.12 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.

20.13 No default

(a) No Event of Default and, on the date of this Agreement and 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.

20.14 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.

20.15 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 31 December 2020 (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 21.2 (*Financial statements*):

(i) have been prepared in accordance with Clause 21.4 (*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 21.2 (*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).

20.16 *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.

20.17 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.

20.18 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.

20.19 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.

20.20 No Charter

No Ship is subject to any Charter other than a Permitted Charter.

20.21 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.

20.22 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.

20.23 No Environmental Incident

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred.

20.24 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.

20.25 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.

20.26 Financial Indebtedness

No Borrower has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

20.27 Overseas companies

No Obligor 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.

20.28 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.

20.29 Ownership

(a) Each Borrower is the sole legal and beneficial owner of the Ship owned by it, its Earnings and its Insurances.

(b) Each Shareholder is the sole legal and beneficial owner of all the shares in the relevant Borrower.

(c) The Guarantor is the sole legal and beneficial owner of all the issued shares in the Shareholders.

(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 Obligor 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.

20.30 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 any other jurisdiction.

20.31 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 sated in Schedule 1 Part A.

20.32 No employee or pension arrangements

No Obligor has any employees or any liabilities under any pension scheme.

20.33 Sanctions

No Relevant Person is:

(a) a Restricted Party;

(b) in breach of Sanctions; 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.

20.34 US Tax Obligor

No Transaction Obligor is a US Tax Obligor.

20.35 No Money laundering

(a) Each Obligor 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 Obligor 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.

20.36 Validity and completeness of the Deeds of Release

(a) Each Deed of Release constitutes legal, valid, binding and enforceable obligations of the parties thereto.

(b) No amendments or additions to any Deed of Release have been agreed nor have any rights under a Deed of Release been waived.

20.37 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of the Utilisation Request and the first day of each Interest Period.

21 INFORMATION UNDERTAKINGS

21.1 General

The undertakings in this Clause 21 (*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.

21.2 Financial statements

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 its financial years, commencing with the financial year ended on 31 December 2021, 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 its financial years (ending 31 March, 30 June and 30 September), the unaudited consolidated quarterly financial statements of the Group for that financial quarter.

21.3 Compliance Certificate and Sustainability Certificates

(a) The Guarantor shall supply to the Facility Agent, with each set of financial statements delivered pursuant to Clause 21.2 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 22 (*Financial Covenants*) as at the date as at which those financial statements were drawn up.

(b) The Guarantor shall supply to the Facility Agent and the Sustainability Agent, within 120 days after the last day of December in each year during the Security Period, the relevant Sustainability Certificates signed by the Chief Financial Officer of the Guarantor and setting out the details of the relevant AER Reference Vessels, the AER Trajectory Values, the AER Vessel Delta and the AER Delta Average, for that calendar year for the purposes of determining any Sustainable Margin Adjustment in accordance with Clause 9.6 (*Margin Adjustment*).

(c) Each Compliance Certificate shall be signed by the Chief Financial Officer of the Guarantor and, if required to be delivered with the financial statements delivered pursuant to Clause 21.2 (*Financial statements*), shall be reported on by the Guarantor's auditors in the form agreed by the Guarantor and all the Lenders before the date of this Agreement.

21.4 Requirements as to financial statements

(a) Each set of financial statements delivered by the Guarantor pursuant to Clause 21.2 (*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 Obligors shall procure that each set of financial statements of the Guarantor delivered pursuant to Clause 21.2 (*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 22 (*Financial Covenants*) 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.

21.5 DAC6

(a) In this Clause 20.5 (*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).

21.6 Information: miscellaneous

Each 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, a potential or alleged liability, exceeding $1,000,000 (or its 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 or 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.

21.7 Notification of Default

(a) Each Obligor 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).

21.8 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) An Obligor 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 an Obligor 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 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 Obligors shall comply with any such request within 10 Business Days.

21.9 "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 Obligor 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.

22 FINANCIAL COVENANTS

22.1 Financial Covenants

The Guarantor shall ensure that at all times during the Security Period:

(a) the members of the Group will maintain Liquid Funds in an amount equal to at least the product of $500,000 and the total number of Fleet Vessels at that time;

(b) the Market Value Adjusted Leverage shall be no greater than 75 per cent.;

(c) the Interest Cover Ratio shall be at least 2:1; and

(d) the Net Worth shall be at least $135,000,000.

22.2 Compliance Check

Compliance with the undertakings contained in Clause 22.1 (*Financial Covenants*) shall be determined on each Test Date and evidenced by the Compliance Certificate.

22.3 Definitions

In this Clause 21 (*Financial Covenants*):

"EBITDA" means, in respect of the Guarantor for any Relevant Period, the aggregate amount of combined pre-tax profits of the Group before extraordinary or exceptional items, interest, depreciation and amortisation as shown, at any relevant time, by the Latest Accounts.

"Fleet Vessels" means any ship (including, but not limited to, the Ships) from time to time wholly owned by members of the Group and, in the singular, means any of them.

"**Interest**" 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.

"**Interest Cover Ratio**" means, by reference to a Test Date, the ratio of EBITDA to Interest on a trailing four-quarter basis.

"**Latest Accounts**" means, in respect of any financial quarter or year of the Group, the latest unaudited (in respect of each financial quarter) or audited (in respect of each financial year) financial statements required to be prepared pursuant to Clause 21.2 (*Financial statements*).

"**Liquid Funds**" means, as at the date of calculation or, as the case may be, for any accounting period, the aggregate of any cash deposits legally or beneficially held by all members of the Group and including any funds held by the Facility Agent and other banks from time to time as minimum liquidity requirements.

"Market Value Adjusted Leverage" means, at any relevant time, the ratio of:

(a) the Total Liabilities Adjusted; to

(b) the Market Value Adjusted Total Assets.

"Market Value Adjusted Total Assets" means, at any time, Total Assets adjusted to reflect the difference between the book values of all Fleet Vessels and the aggregate market value of all Fleet Vessels as provided in the Latest Accounts but excluding from the Total Assets up to five vessels chartered-into the Group whose charters have purchase options exercisable within five years from the effectiveness of the charters (each a "**Chartered-in Vessel**"). Where there are more than five Chartered-in Vessels, any additional vessel chartered into the Group shall, unless otherwise agreed with the Facility Agent, be included within the Total Assets.

"**Net Worth**" means the amount by which the Total Assets exceed the Total Liabilities.

"**Relevant Period**" means, by reference to a Test Date, each period of three months ending on that Test Date.

"**Test Date**" means 31 March, 30 June, 30 September and 31 December, being the last day of the financial quarter to which the Latest Accounts relate commencing with 31 March 2022.

"Total Assets" means, as at the Test Date, as at the date of calculation or, as the case may be, for any accounting period, the total assets of the Group (including, without limitation, the Ships) 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 Latest Accounts.

"Total Liabilities" means, as at the Test Date or, as the case may be, for any accounting period, the total liabilities of the Group as at that date or for that period (which shall have the meaning given thereto under GAAP) as shown in the Latest Accounts but excluding from the Total Liabilities the liabilities arising under up to five Chartered-in Vessels. Where there are more than five Chartered-in Vessels, any liabilities arising under any additional vessel chartered into the Group shall, unless otherwise agreed with the Facility Agent, be included within the Total Liabilities.

"Total Liabilities Adjusted" means, as at the Test Date, the Total Liabilities excluding the amount which appears as deferred revenue and relates to the compensation received in respect of m.vs. "HYUNDAI BUSAN", "HYUNDAI SINGAPORE", "HYUNDAI SHANGHAI", "HYUNDAI TOKYO" and "HYUNDAI HONG KONG", in each case, as such amount reduces from time to time.

23 GENERAL UNDERTAKINGS

23.1 General

The undertakings in this Clause 22.1 (*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.

23.2 Authorisations

Each Obligor 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).

23.3 Compliance with laws

Each Obligor shall, and shall procure that each other Transaction Obligor will, comply in all respects with:

(a) all Sanctions Laws to which it may be subject; 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.

23.4 Environmental compliance

Each Obligor shall, and shall procure that each other Transaction Obligor will, and the Guarantor shall ensure that each other member of the Group will:

(a) comply with all Environmental Laws;

(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,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

23.5 Environmental Claims

Each Obligor 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 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,

where the claim, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

23.6 Taxation

(a) Each Obligor 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 21.2 (*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 Obligor shall change its residence for Tax purposes.

23.7 Overseas companies

Each Obligor 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.

23.8 No change to centre of main interests

No Obligor shall change the location of its centre of main interest (as that term is used in Article 3(1) of the Regulation) from that stated in relation to it in Clause 20.30 (*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 other jurisdiction.

23.9 *Pari passu* ranking

Each Obligor 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 unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

23.10 Title

(a) Each Borrower shall hold the legal title to, and own the entire beneficial interest 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) 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.

23.11 Negative pledge

(a) No Obligor shall, and the Obligors shall procure that no other Transaction Obligor will, (and the Guarantor shall ensure that no other member of the Group will) create 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.

(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.

23.12 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 25.16 (*Restrictions on chartering, appointment of managers etc.*).

23.13 Merger

No Obligor shall 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.

23.14 Change of business

(a) The Guarantor 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.

23.15 Financial Indebtedness

No Borrower shall incur or permit to be outstanding any Financial Indebtedness except Permitted Financial Indebtedness.

23.16 Expenditure

No Borrower shall incur any expenditure, except for expenditure reasonably incurred in the ordinary course of owning, operating, maintaining and repairing its Ship.

23.17 Share capital

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 relevant 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;

(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).

23.18 Dividends

(a) No Obligor shall, following the occurrence of a Default (which has been notified by the Facility Agent to the Borrowers) 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) The Guarantor will not (and shall procure that no other member of the Group will) enter into any other facility agreement pursuant to the terms and conditions of which the Guarantor or that other member of the Group will be restricted from paying dividends, other than following the occurrence of an Event of Default.

23.19 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.

23.20 Unlawfulness, invalidity and ranking; Security imperilled

No Obligor shall, and the Obligors 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 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.

23.21 Further assurance

(a) Each Obligor shall (and the Guarantor shall procure that each member of the Group will) promptly, 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 Obligor shall, and shall procure that each other Transaction Obligor will, (and the Guarantor shall procure that each member of the Group 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 an Obligor delivers to the Security Agent any document executed by itself or another Transaction Obligor pursuant to this Clause 23.21 (*Further assurance*), that Obligor shall deliver, or shall procure that such other Transaction Obligor will deliver, to the Security Agent a certificate signed by one of that Obligor's or Transaction Obligor's officers which shall:

(i) set out the text of a resolution of that Obligor's or Transaction Obligor's directors 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 validly convened and held, throughout which a quorum of directors entitled to vote on the resolution was present, or that the resolution has been signed by all the directors or officers and is valid under that Obligor's or Transaction Obligor's articles of incorporation or limited partnership agreement, as applicable.

23.22 Money Laundering

The Obligors 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.

23.23 Sanctions

(a) No Obligor 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; and/or

(ii) causes (or will cause) a breach of Sanctions by any Finance Party.

(b) No Obligor 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.

23.24 Use of proceeds

No proceeds of any Advance 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.

23.25 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) 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.

23.26 Listing of Guarantor

The Guarantor shall ensure that its shares are listed on the New York Stock Exchange, US Stock Exchange or any other stock exchange acceptable to the Facility Agent.

24 INSURANCE UNDERTAKINGS

24.1 General

The undertakings in this Clause 24 (*Insurance Undertakings*) remain in force 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.

24.2 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.

24.3 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) 120 per cent. of the Tranche relating to that Ship; and

(ii) the Market Value of that Ship;

(c) in the case of hull and machinery insurance, in an amount on an agreed value basis of at least 70 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.

24.4 Further protections for the Finance Parties

In addition to the terms set out in Clause 24.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances 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.

24.5 Renewal of obligatory insurances

Each Borrower shall:

(a) at least 21 days before the expiry of any obligatory insurance:

(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.

24.6 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 or 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 24.4 (*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.

24.7 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.

24.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances are deposited with the Approved Brokers through which the insurances are effected or renewed.

24.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Facility Agent or the Security Agent.

24.10 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.

24.11 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 24.6 (*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.

24.12 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.

24.13 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.

24.14 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.

24.15 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 24.16 (*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.

24.16 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 120 per cent. of the aggregate of (A) the Loan and (B) 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.

25 SHIP UNDERTAKINGS

25.1 General

The undertakings in this Clause 25 (*Ship Undertakings*) remain in force 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.

25.2 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 change of 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 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.

25.3 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.

25.4 Classification society undertaking

Each Borrower shall 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.

25.5 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.

25.6 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.

25.7 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.

25.8 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 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.

25.9 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.

25.10 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, the ISM Code, the ISPS Code, all Environmental Laws, all Sanctions and the laws of the Approved Flag;

(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 Environmental Laws and Sanctions (or which would be contrary to Sanctions if Sanctions were binding on each Transaction Obligor).

25.11 ISPS Code

Without limiting paragraph (a) of Clause 25.10 (*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.

25.12 Sanctions and Ship trading

Without limiting Clause 25.10 (*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 Prohibited User;

(b) that such Ship shall not be used in trading in any manner contrary to Sanctions (or which could be contrary to Sanctions if Sanctions were binding on each Transaction Obligor);

(c) that such Ship 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 that Ship shall contain, for the benefit of that Borrower, language which gives effect to the provisions of paragraph (c) of Clause 25.10 (*Compliance with laws etc.*) as regards Sanctions and of this Clause 25.12 (*Sanctions and Ship trading*) and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions (or which would result in a breach of Sanctions if Sanctions were binding on each Obligor).

25.13 Trading in war zones

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) prior notification has been given to the Security Agent; and

(b) that Borrower has (at its expense) effected any required and applicable special, additional or modified insurance cover.

25.14 Provision of information

Without prejudice to Clause 21.5 (*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.

25.15 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,

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.

25.16 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) materially amend, supplement or terminate a Management Agreement if such amendment, supplement or termination causes the occurrence of an Event of Default;

(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 $750,000 (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.

25.17 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.

25.18 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.

25.19 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, 6.2 and 6.6 of Part A of Schedule 2 (*Conditions*) as the Facility Agent may require.

25.20 IHM

Each Borrower shall ensure that that Ship owned by it carries an IHM classification from the relevant Approved Classification Society from the date of completion of the first dry docking of that Ship after the date of this Agreement and at all times thereafter and shall promptly deliver to the Facility Agent upon its request a copy of the class report noting the same.

25.21 Dismantling of Ships

The Obligors 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.

25.22 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 45 (*Confidential information*) but the Borrowers acknowledges that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment.

25.23 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 25 (*Ship Undertakings*).

26 SECURITY COVER

26.1 Minimum required security cover

Clause 26.2 (*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 26 (*Security Cover*),

is below 135 per cent. of the Loan**.**

26.2 Provision of additional security; prepayment

(a) If the Facility Agent serves a notice on the Borrowers under Clause 26.1 (*Minimum required security cover*), the Borrowers shall, on or before the date falling 10 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) The Borrowers may, instead of making a prepayment as described in paragraph (a) above, provide, or ensure that a third party has provided, additional security which, in the opinion of the Facility Agent acting on the instructions of the Majority Lenders:

(i) has a net realisable value at least equal to the shortfall; and

(ii) is documented in such terms as the Facility Agent may approve or require,

before the Prepayment Date; and conditional upon such security being provided in such manner, it shall satisfy such prepayment obligation.

26.3 Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 26.2 (*Provision of additional security; prepayment*) and which consists of Security over a vessel shall be the Market Value of the vessel concerned.

26.4 Valuations binding

Any valuation under this Clause 26 (*Security Cover*) shall be binding and conclusive as regards each Borrower.

26.5 Provision of information

(a) Each Borrower shall promptly provide the Facility Agent and any shipbroker acting under this Clause 26 (*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.

26.6 Prepayment mechanism

Any prepayment pursuant to Clause 26.2 (*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 each Tranche pro rata by reducing the Repayment Instalments and the Balloon Instalment in respect of that Tranche falling after such prepayment on a pro rata basis by the amount prepaid.

26.7 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 26.1 (*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 22 (*Financial Covenants*) by reference to the market value of the Fleet Vessels as provided in the Latest Accounts.

(e) Each of the valuations referred to at paragraphs (a) and (b) above shall be obtained not more than 30 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 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 26.2 (*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 26.1 (*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 limited to four times per annum, unless an Event of Default has occurred or the covenant contained in Clause 26.1 (*Minimum required security cover*) is not complied with, in which case the cost of all valuations shall be borne by the Borrowers.

27 ACCOUNTS APPLICATION OF EARNINGS

27.1 Accounts

No Borrower may, without the prior consent of the Facility Agent, maintain any bank account other than its Earnings Account.

27.2 Payment of Earnings

(a) Each Borrower shall ensure that 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.

(b) Each Borrower shall ensure that at all times there is standing to the credit of its Earnings Account an amount of no less than $500,000.

27.3 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.

28 EVENTS OF DEFAULT

28.1 General

Each of the events or circumstances set out in this Clause 28 (*Events of Default*) is an Event of Default except for Clause 28.20 (*Acceleration*) and Clause 28.21 (*Enforcement of security*).

28.2 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 five Business Days of its due date.

28.3 Specific obligations

A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), Clause 22 (*Financial Covenants*), Clause 23.10 (*Title*), Clause 23.11 (*Negative pledge*), Clause 23.20 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 24.2 (*Maintenance of obligatory insurances*), Clause 24.3 (*Terms of obligatory insurances*), Clause 24.5 (*Renewal of obligatory insurances*) or save to the extent such breach is a failure to pay and therefore subject to Clause 28.2 (*Non-payment*), Clause 26 (*Security Cover*).

28.4 Other obligations

(a) A Transaction Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 28.2 (*Non-payment*) and Clause 28.3 (*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 15 Business Days of the Facility Agent giving notice to the Borrowers or (if earlier) any Transaction Obligor becoming aware of the failure to comply.

28.5 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.

28.6 Cross default

(a) Any Financial Indebtedness of any Transaction Obligor (other than the Approved Manager) is not paid when due nor within any originally applicable grace period.

(b) Any Financial Indebtedness of any Transaction Obligor (other than the 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 the 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 the 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 Transaction Obligor (other than the 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) unless the Transaction Obligor 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.

(e) No Event of Default will occur under this Clause 28.6 (*Cross default*) in respect of the Guarantor if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than $10,000,000 (or its equivalent in any other currency).

28.7 Insolvency

(a) A Transaction Obligor (other than the 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.

(b) A moratorium is declared in respect of any indebtedness of any Transaction Obligor (other than the Approved Manager). If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

28.8 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.

28.9 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 any Approved Manager or an arrest or detention of a Ship which, in accordance with Clause 28.14 (*Arrest*), is discharged within 30 days).

28.10 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.

28.11 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.

(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.

28.12 Security imperilled

Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.

28.13 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.

28.14 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.

28.15 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 28.14 (*Arrest*); or

(b) any Requisition.

28.16 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.

28.17 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.

28.18 Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

28.19 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.

28.20 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 Total Commitments, 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) and (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 28.21 (*Enforcement of security*) if no such notice is served or simultaneously with or at any time after the service of any of such notice.

28.21 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 28.20 (*Acceleration*), the Security Agent is entitled to take under any Finance Document or any applicable law or regulation.

SECTION 9

CHANGES TO PARTIES

29 CHANGES TO THE LENDERS

29.1 Assignments and transfers by the Lenders

Subject to this Clause 29 (*Changes to the Lenders*), 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**").

29.2 Conditions of assignment or transfer

(a) The Existing Lender shall consult with the Borrowers for up to 5 Business Days before completing an assignment or transfer pursuant to Clause 29.1 (*Assignments and transfers by the Lenders*), unless the assignment or transfer is:

(i) to another Lender or an Affiliate of a Lender;

(ii) if the Existing Lender is a fund, to a fund which is a Related Fund;

(iii) to the Mandated Lead Arranger, the Sustainability Agent or an Affiliate of the Mandated Lead Arranger or the Sustainability Agent and made in connection with the primary syndication or the Utilisation of the Facility; or

(iv) made at a time when an Event of Default is continuing.

(b) 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 were 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.

(c) Each Obligor 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.

(d) A transfer will only be effective if the procedure set out in Clause 29.5 (*Procedure for transfer*) is complied with.

(e) 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 13 (*Tax Gross Up and Indemnities*) or under that clause as incorporated by reference or in full in any other Finance Document or Clause 14 (*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 (e) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

(f) 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.

29.3 Assignment or transfer fee

The New 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 $3,000.

29.4 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 29 (*Changes to the Lenders*); 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.

29.5 Procedure for transfer

(a) Subject to the conditions set out in Clause 29.2 (*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 29.9 (*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 Sustainability Agent, 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, the Sustainability Agent, 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**".

29.6 Procedure for assignment

(a) Subject to the conditions set out in Clause 29.2 (*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 29.9 (*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 29.6 (*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 29.5 (*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 29.2 (*Conditions of assignment or transfer*).

29.7 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.

29.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 29 (*Changes to the Lenders*), 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.

29.9 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 29.5 (*Procedure for transfer*) or any assignment pursuant to Clause 29.6 (*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 29.9 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 29.9 (*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 29.9 (*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.

30 CHANGES TO THE TRANSACTION OBLIGORS

30.1 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.

30.2 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 30.2 (*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

31 THE FACILITY AGENT, THE MANDATED LEAD ARRANGER, THE SUSTAINABILITY AGENT AND THE REFERENCE BANKS

31.1 Appointment of the Facility Agent

(a) Each of the Mandated Lead Arranger, the Sustainability Agent and the Lenders 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 Sustainability Agent and the Lenders 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.

31.2 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 45 (*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 31.2 (*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.

31.3 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 29.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*), 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, the Sustainability Agent 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).

31.4 Role of the Mandated Lead Arranger and the Sustainability Agent

Except as specifically provided in the Finance Documents, neither the Mandated Lead Arranger nor the Sustainability Agent has any obligations of any kind to any other Party under or in connection with any Finance Document.

31.5 No fiduciary duties

(a) Nothing in any Finance Document constitutes the Facility Agent, the Mandated Lead Arranger, the Sustainability Agent as a trustee or fiduciary of any other person.

(b) None of the Facility Agent, the Mandated Lead Arranger or the Sustainability Agent 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.

31.6 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 35.5 (*Application of receipts; partial payments*).

31.7 Business with the Group

The Facility Agent, the Mandated Lead Arranger or the Sustainability 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.

31.8 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 28.2 (*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, none of the Facility Agent, the Mandated Lead Arranger or the Sustainability Agent 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.

31.9 Responsibility for documentation

None of the Facility Agent, the Mandated Lead Arranger or the Sustainability Agent 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 or the Sustainability Agent, 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.

31.10 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.

31.11 Exclusion of liability

(a) Without limiting paragraph (b) below (and without prejudice to paragraph (e) of Clause 35.11 (*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:

(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;

(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 Clause 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, the Mandated Lead Arranger or the Sustainability 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 Facility Agent, the Mandated Lead Arranger and the Sustainability 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 Facility Agent, the Mandated Lead Arranger or the Sustainability Agent.

(e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability 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.

31.12 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 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 35.11 (*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.

31.13 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 31 (*The Facility Agent, the Sustainability Agent and the Reference Banks*) 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 15.4 (*Indemnity to the Facility Agent*) and this Clause 31 (*The Facility Agent, the Sustainability Agent and the Reference Banks*) 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.

(j) The Facility Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facility Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:

(i) the Facility Agent fails to respond to a request under Clause 13.7 (*FATCA Information*) and a Lender reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

(ii) the information supplied by the Facility Agent pursuant to Clause 13.7 (*FATCA Information*) indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or

(iii) the Facility Agent notifies the Borrowers and the Lenders that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and that Lender, by notice to the Facility Agent, requires it to resign.

31.14 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, none of the Facility Agent, the Mandated Lead Arranger or the Sustainability Agent 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.

31.15 Relationship with the other Finance Parties

(a) Subject to Clause 29.9 (*Pro rata interest settlement*), the Facility Agent may treat the person shown in its records as Lender 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:

(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 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 to or by 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 38.5 (*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 38.2 (*Addresses*) and sub-paragraph (ii) of paragraph (a) of Clause 38.5 (*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.

31.16 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, the Mandated Lead Arranger and the Sustainability 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 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.

31.17 Facility Agent's management time

Any amount payable to the Facility Agent under Clause 15.4 (*Indemnity to the Facility Agent*), Clause 17 (*Costs and Expenses*) and Clause 31.12 (*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 12 (*Fees*).

31.18 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.

31.19 Reliance and engagement letters

Each Secured Party confirms that each of the Mandated Lead Arranger, the Sustainability Agent 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, the Sustainability Agent 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.

31.20 Full freedom to enter into transactions

Without prejudice to Clause 31.7 (*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.

31.21 Role of Reference Banks

(a) No Reference Bank is under any obligation to provide a quotation or any other information to the Facility Agent.

(b) No Reference Bank will be liable for any action taken by it under or in connection with any Finance Document, or for any Reference Bank Quotation, unless directly caused by its gross negligence or wilful misconduct.

(c) No Party (other than the relevant Reference Bank) may take any proceedings against any officer, employee or agent of any Reference Bank in respect of any claim it might have against that Reference Bank or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document, or to any Reference Bank Quotation, and any officer, employee or agent of each Reference Bank may rely on this Clause 31.21 (*Role of Reference Banks*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

31.22 Third Party Reference Banks

A Reference Bank which is not a Party may rely on Clause 31.21 (*Role of Reference Banks*), Clause 45.3 (*Other exceptions*) and Clause 47 (*Confidentiality of Funding Rates and Reference Bank Quotations*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

32 THE SECURITY AGENT

32.1 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 32 (*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.

32.2 Parallel Debt (Covenant to pay the Security Agent)

(a) Each Obligor 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 an Obligor:

(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 32.2 (*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 an Obligor 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 an Obligor 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 an Obligor shall never exceed its Corresponding Debt.

(e) All amounts received or recovered by the Security Agent in connection with this Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*) to the extent permitted by applicable law, shall be applied in accordance with Clause 35.5 (*Application of receipts; partial payments*).

(f) This Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*) shall apply, with any necessary modifications, to each Finance Document.

32.3 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.

32.4 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 32.28 (*Application of receipts*);

(B) Clause 32.29 (*Permitted Deductions*); and

(C) Clause 32.30 (*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 45 (*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 32.4 (*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.

32.5 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).

32.6 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.

32.7 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.

32.8 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 or a Selection Notice) 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.

32.9 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, the Sustainability Agent, 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.

32.10 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.

32.11 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 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 Clause 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 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.

32.12 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 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 an Obligor.

32.13 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 32.25 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of Clause 15.5 (*Indemnity to the Security Agent*) and this Clause 32 (*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.

32.14 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.

32.15 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.

32.16 Security Agent's management time

(a) Any amount payable to the Security Agent under Clause 15.5 (*Indemnity to the Security Agent*), Clause 17 (*Costs and Expenses*) and Clause 32.12 (*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 12 (*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.

32.17 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.

32.18 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.

32.19 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.

32.20 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.

32.21 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.

32.22 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.

32.23 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.

32.24 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 Obligors 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.

32.25 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 32.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

32.26 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.

32.27 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.

32.28 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 32.2 (*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 32 (*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 32 (*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 32.2 (*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 35.5 (*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.

32.29 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).

32.30 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 32.28 (*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.

32.31 Investment of proceeds

Prior to the payment of the proceeds of the Recoveries to the Facility Agent for application in accordance with Clause 32.28 (*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 32.28 (*Application of receipts*).

32.32 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.

32.33 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.

32.34 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, that Obligor will hold the amount received or recovered 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.

32.35 Application and consideration

In consideration for the covenants given to the Security Agent by each Obligor in relation to Clause 32.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent agrees with each Obligor to apply all moneys from time to time paid by such Obligor to the Security Agent in accordance with the foregoing provisions of this Clause 32 (*The Security Agent*).

32.36 Full freedom to enter into transactions

Without prejudice to Clause 32.7 (*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.

33 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.

34 SHARING AMONG THE FINANCE PARTIES

34.1 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 35 (*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 35 (*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 35.5 (*Application of receipts; partial payments*).

34.2 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 35.5 (*Application of receipts; partial payments*) towards the obligations of that Transaction Obligor to the Sharing Finance Parties.

34.3 Recovering Finance Party's rights

On a distribution by the Facility Agent under Clause 34.2 (*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.

34.4 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.

34.5 Exceptions

(a) This Clause 34 (*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

35 PAYMENT MECHANICS

35.1 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 London, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

35.2 Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 35.3 (*Distributions to a Transaction Obligor*) and Clause 35.4 (*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 an Advance, to such account of such person as may be specified by the Borrowers in the Utilisation Request.

35.3 Distributions to a Transaction Obligor

The Facility Agent may (with the consent of the Transaction Obligor or in accordance with Clause 36 (*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.

35.4 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 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 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.

35.5 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; and

(iv) **fourthly,** in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.

(b) The Facility Agent shall, if so directed by the Majority Lenders, vary, or instruct the Security Agent to vary (as applicable) the order set out in sub-paragraphs (ii) to (iv) of paragraph (a) above.

(c) Paragraphs (a) and (b) above will override any appropriation made by a Transaction Obligor.

35.6 No set-off by Transaction Obligors

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.

35.7 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.

35.8 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.

35.9 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.

35.10 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.

35.11 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 45 (*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 35.11 (*Disruption to Payment Systems etc.*); and

(f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

36 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.

37 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.

38 NOTICES

38.1 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.

38.2 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 or any other Obligor, 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 Schedule 1 (*The Parties*);

(d) in the case of the Security Agent, that specified in Schedule 1 (*The Parties*);

(e) in the case of the Mandated Lead Arranger, that specified in Schedule 1 (*The Parties*); and

(f) in the case of the Sustainability Agent, that specified in 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.

38.3 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 38.2 (*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.

38.4 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 38.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

38.5 Electronic communication

(a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made 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 as specified in paragraph (a) above to be made between an Obligor 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.

(c) Any such electronic communication as specified in paragraph (a) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made 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 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 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 shall be construed to include that communication being made available in accordance with this Clause 38.5 (*Electronic communication*).

38.6 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.

39 CALCULATIONS AND CERTIFICATES

39.1 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.

39.2 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.

39.3 Day count convention

(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 after the Rate Switch Date shall be rounded to 2 decimal places.

40 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.

41 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 44 (*Amendments and waivers*).

42 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 Obligor 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.

43 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.

44 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.

45 AMENDMENTS AND WAIVERS

45.1 Required consents

(a) Subject to Clause 45.2 (*All Lender matters*) and Clause 45.3 (*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 Obligors 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 45 (*Amendments and Waivers*).

(c) Without prejudice to the generality of Clause 31.8 (*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 29.9 (*Pro rata interest settlement*) shall apply to this Clause 45 (*Amendments and Waivers*).

45.2 All Lender matters

Subject to Clause 45.4 (*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", "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 Applicable Margin other than in accordance with Clause 9.6 (Margin adjustment) 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 30 (*Changes to the Transaction Obligors*);

(g) any provision which expressly requires the consent of all the Lenders;

(h) this Clause 45 (*Amendments and Waivers*);

(i) any change to the preamble (Background), Clause 2 (*The Facility*), Clause 3 (*Purpose*), Clause 5 (*Utilisation*), Clause 6.2 (*Effect of cancellation and prepayment on scheduled repayments*), Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*), Clause 8 (*Interest*), Clause 26.6(b) (*Accounts, Application of Earnings*), Clause 29 (*Changes to the Lenders*), Clause 34 (*Sharing among the Finance Parties*), Clause 49 (*Governing Law*) or Clause 50 (*Enforcement*);

(j) any release of, or material variation to, any Transaction Security, guarantee, indemnity or subordination arrangement set out in a Finance Document (except in the case of a release of Transaction Security as it relates to the disposal of an asset which is the subject of the Transaction Security and where such disposal is expressly permitted by the Majority Lenders or otherwise under a Finance Document);

(k) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:

(i) the guarantees and indemnities granted under Clause 17 (Guarantee and Indemnity –Guarantor);

(ii) the joint and several liability of the Borrowers under Clause 18 (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);

(l) the release of the guarantee and indemnity granted under Clause 18 (*Guarantee and Indemnity*) or of any Transaction Security 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.

45.3 Other exceptions

(a) An amendment or waiver which relates to the rights or obligations of a Servicing Party, the Mandated Lead Arranger, the Sustainability Agent or a Reference Bank (each in their capacity as such) may not be effected without the consent of that Servicing Party, the Sustainability Agent or that Reference Bank, as the case may be.

(b) The Borrowers and the Facility Agent, the Mandated Lead Arranger, the Sustainability Agent or the Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.

45.4 Changes to reference rates

(a) Subject to Clause 45.3 (*Other exceptions*), any amendment or waiver which relates to:

(i) providing for the use of a Replacement Reference Rate in relation to that currency in place of that Published Rate; 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 a Compounded Rate 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 44.4 (Changes to reference rates):

"Published Rate" means:

(i) the RFR; or

(ii) the Screen Rate.

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of the, or any working group.

"Replacement Reference Rate" means a reference rate which is:

(i) formally designated, nominated or recommended as the replacement for a Published Rate by:

(A) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or

(B) any Relevant Nominating Body,

(ii) 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;

(iii) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

(iv) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor to a Published Rate.

45.5 Obligor Intent

Without prejudice to the generality of Clauses 1.2 (*Construction*) and 18.4 (*Waiver of defences*), each Obligor 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.

46 CONFIDENTIAL INFORMATION

46.1 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 46.2 (*Disclosure of Confidential Information*) and Clause 46.4 (*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.

46.2 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 31.15 (*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 29.8 (*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.

46.3 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.

46.4 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 49 (*Governing Law*);

(vi) the names of the Facility Agent, the Mandated Lead Arranger and the Sustainability Agent;

(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.

46.5 Entire agreement

This Clause 46 (*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.

46.6 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.

46.7 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 46.2 (*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 46 (*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.

46.8 Use of logo and/or trademark

Subject to the Borrowers' prior written consent (such consent not to be unreasonably withheld), each of the Facility Agent and/or the Mandated Lead Arranger and/or the Sustainability Agent has the right, at its expense, to publish information regarding its participation in, and the agency and arrangement of this Agreement and have the right to use the Borrowers' and/or the Guarantor's logo and trademark in connection with such publication.

46.9 Continuing obligations

The obligations in this Clause 46 (*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 Obligors 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.

47 CONFIDENTIALITY OF FUNDING RATES AND REFERENCE BANK QUOTATIONS

47.1 Confidentiality and disclosure

(a) The Facility Agent and each Obligor agree to keep each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) and (d) below.

(b) The Facility Agent may disclose:

(i) any Funding Rate (but not, for the avoidance of doubt, any Reference Bank Quotation) to the Borrowers pursuant to Clause 9.4(c) (*Notification of rates of interest*); and

(ii) any Funding Rate or any Reference Bank Quotation 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 or Reference Bank, as the case may be.

(c) The Facility Agent may disclose any Funding Rate or any Reference Bank Quotation, and each Obligor 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 or Reference Bank Quotation 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 Reference Bank Quotation 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 or Reference Bank Quotation 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 Obligor, 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 or Reference Bank Quotation 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 Obligor, 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 or Reference Bank, as the case may be.

(d) The Facility Agent's obligations in this Clause 47 (*Confidentiality of Funding Rates and Reference Bank Quotations*) relating to Reference Bank Quotations are without prejudice to its obligations to make notifications under Clause 9.4(c) (*Notification of rates of interest*) **provided that** (other than pursuant to sub-paragraph (i) of paragraph (b) above) the Facility Agent shall not include the details of any individual Reference Bank Quotation as part of any such notification.

47.2 Related obligations

(a) The Facility Agent and each Obligor acknowledge that each Funding Rate (and, in the case of the Facility Agent, each Reference Bank Quotation) 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 Obligor undertake not to use any Funding Rate or, in the case of the Facility Agent, any Reference Bank Quotation for any unlawful purpose.

(b) The Facility Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender or Reference Bank, as the case may be:

(i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (c) of Clause 47.1 (*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 47 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

47.3 No Event of Default

No Event of Default will occur under Clause 28.4 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 47 (*Confidentiality of Funding Rates and Reference Bank Quotations*).

48 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

49 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

50 ENFORCEMENT

50.1 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 Obligors accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Obligor will argue to the contrary.

(c) This Clause 50.1 (*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.

50.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):

(i) irrevocably appoints Hill Dickinson LLP 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 Obligor 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 all 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

/s/ Toby Hunt

SIGNED by) Toby Hunt
its attorney-in-fact) Attorney-in-fact
for and on behalf of)
TINOS SHIPPING CORPORATION)
in the presence of:)

/s/ James Burgess

Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

/s/ Toby Hunt

SIGNED by) Toby Hunt
its attorney-in-fact) Attorney-in-fact
for and on behalf of)
PSARA SHIPPING CORPORATION)
in the presence of:)

/s/ James Burgess

Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

/s/ Toby Hunt

SIGNED by) Toby Hunt
its attorney-in-fact) Attorney-in-fact
for and on behalf of)
OINOUSSES SHIPPING CORPORATION)
in the presence of:)

/s/ James Burgess

Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

/s/ Toby Hunt

SIGNED by) Toby Hunt
its attorney-in-fact) Attorney-in-fact
for and on behalf of)
JOY SHIPPING CORPORATION)
in the presence of:)

/s/ James Burgess

Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

/s/ Toby Hunt

SIGNED by) Toby Hunt
its attorney-in-fact) Attorney-in-fact
for and on behalf of)
AVERY SHIPPING COMPANY)
in the presence of:)

/s/ James Burgess

Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

GUARANTOR

/s/ Toby Hunt

SIGNED by) Toby Hunt
its attorney-in-fact) Attorney-in-fact
for and on behalf of)
NAVIOS MARITIME PARTNERS L.P.)
in the presence of:)

/s/ James Burgess

Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

ORIGINAL LENDERS

SIGNED by)
) /s/ Jack Oldbury
duly authorised) Jack Oldbury
for and on behalf of) Attorney-in-fact
DNB (UK) LIMITED)
in the presence of:)

/s/ James Burgess
Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

SUSTAINABILITY AGENT

SIGNED by)
) /s/ Jack Oldbury
duly authorised) Jack Oldbury
for and on behalf of) Attorney-in-fact
DNB BANK ASA, LONDON BRANCH)
in the presence of:)

/s/ James Burgess
Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

MANDATED LEAD ARRANGER

SIGNED by)
) /s/ Jack Oldbury
duly authorised) Jack Oldbury
for and on behalf of) Attorney-in-fact
DNB (UK) LIMITED)
in the presence of:)

/s/ James Burgess
Witness' signature:) James Burgess
Witness' name:) WATSON FARLEY & WILLIAMS LLP
Witness' address:) 15 Appold Street
London EC2A 2HB
United Kingdom

FACILITY AGENT

SIGNED by	)	
	)	/s/ Jack Oldbury
duly authorised	)	Jack Oldbury
for and on behalf of	)	Attorney-in-fact
DNB BANK ASA, LONDON BRANCH	)	
in the presence of:	)	
		/s/ James Burgess
Witness' signature:	)	James Burgess
Witness' name:	)	WATSON FARLEY & WILLIAMS LLP
Witness' address:	)	15 Appold Street London EC2A 2HB United Kingdom

SECURITY AGENT

SIGNED by	)	
	)	/s/ Jack Oldbury
duly authorised	)	Jack Oldbury
for and on behalf of	)	Attorney-in-fact
DNB BANK ASA, LONDON BRANCH	)	
in the presence of:	)	
		/s/ James Burgess
Witness' signature:	)	James Burgess
Witness' name:	)	WATSON FARLEY & WILLIAMS LLP
Witness' address:	)	15 Appold Street London EC2A 2HB United Kingdom

Exhibit 4.34

Dated 7 December 2021

NAVIOS MARITIME ACQUISITION CORPORATION
as Released Borrower

and

NAVIOS MARITIME PARTNERS L.P.
as New Borrower

and

SAMOS SHIPPING CORPORATION
SHINYO SAOWALAK LIMITED
SHINYO KIERAN LIMITED
LEFKADA SHIPPING CORPORATION
TILOS SHIPPING CORPORATION
AMORGOS SHIPPING CORPORATION and
ANDROS SHIPPING CORPORATION
as Original Owners

and

JASPERO SHIPTRADE S.A. and
THETIDA MARINE CO.
as Additional Owners

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in schedule 1
as Lenders

and

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

DEED OF ACCESSION, AMENDMENT, RELEASE AND RESTATEMENT

relating to a loan agreement dated 23 August 2021 (as amended and supplemented by a supplemental letter dated 10 November 2021)

WATSON FARLEY
&
WILLIAMS

Index

THIS DEED is made on 7 December 2021

PARTIES

(1) **NAVIOS MARITIME ACQUISITION CORPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as released borrower (the "**Released Borrower**")

(2) **NAVIOS MARITIME PARTNERS L.P.**, a limited partnership formed and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as new borrower (the "**New Borrower**")

(3) **SAMOS SHIPPING CORPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as original owner ("**Original Owner A**")

(4) **SHINYO SAOWALAK LIMITED**, a BVI business company incorporated with limited liability under the laws of the British Virgin Islands with company number 1473884 and having its registered office at Kingston Chambers, PO Box 173, Road Town, Tortola VG1110, British Virgin Islands as original owner ("**Original Owner B**")

(5) **SHINYO KIERAN LIMITED**, a BVI business company incorporated with limited liability under the laws of the British Virgin Islands with company number 1473676 and having its registered office at Kingston Chambers, PO Box 173, Road Town, Tortola VG1110, British Virgin Islands as original owner ("**Original Owner C**")

(6) **LEFKADA SHIPPING CORPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as original owner ("**Original Owner D**")

(7) **TILOS SHIPPING CORPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as original owner ("**Original Owner E**")

(8) **AMORGOS SHIPPING CORPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as original owner ("**Original Owner F**")

(9) **ANDROS SHIPPING CORPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as original owner ("**Original Owner G**")

(10) **JASPERO SHIPTRADE S.A.**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as additional owner ("**Additional Owner A**")

(11) **THETIDA MARINE CO.**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, the Marshall Islands MH 96960 as additional owner ("**Additional Owner B**")

(12) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 (*The Lenders*) as lenders (the "**Lenders**")

(13) **HAMBURG COMMERCIAL BANK AG** as agent (the "**Agent**"), as mandated lead arranger (the "**Mandated Lead Arranger**") and as security trustee (the "**Security Trustee**")

BACKGROUND

(A) By the Loan Agreement, the Lenders made available to the Released Borrower a facility of (originally) up to $195,385,000, of which $190,215,625 was drawn and $182,872,391.08 is outstanding by way of principal on the date of this Deed.

(B) By the Agency and Trust Deed, which is supplemental to the Loan Agreement, it was agreed that the Security Trustee would hold the Trust Property on trust for the Creditor Parties.

(C) The Released Borrower and the Original Owners have requested (the "**Request**") that the Creditor Parties agree to, *inter alia*, the following:

(i) the release of the Released Borrower from its obligations under the Loan Agreement (the "**Release**"); and

(ii) the New Borrower acceding to the Loan Agreement as borrower (the "**Accession**").

(D) This Deed sets out the terms and conditions on which the Lenders and the other Creditor Parties agree to the Request and together with the Security Parties agree, with effect on and from the Effective Date, to:

(i) the consequential amendment of the Loan Agreement, the Agency and Trust Deed and the other Finance Documents in connection with the Request (the "**Consequential Amendments**");

(ii) the execution of guarantees by each of the Additional Owners guaranteeing the New Borrower's obligations under the Amended and Restated Loan Agreement and the other Finance Documents as amended and restated and/or supplemented by this Deed; and

(iii) enter into the New Security Documents in connection with the Release and the Accession.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed, unless the contrary intention appears:

"**Additional Owners**" means, together, Additional Owner A and Additional Owner B.

"**Additional Ship**" means each of Additional Ship A and Additional Ship B and, in the plural, means all of them.

"**Additional Ship A**" means a post-panamax container vessel owned by Additional Owner A as further defined as Ship H in schedule 7 (*details of ships*) of the Amended and Restated Loan Agreement.

"**Additional Ship B**" means a post-panamax container vessel owned by Additional Owner B as further defined as Ship I in schedule 7 (*details of ships*) of the Amended and Restated Loan Agreement.

"**Agency and Trust Deed**" means the agency and trust deed referred to in Recital (B).

"**Amended and Restated Agency and Trust Deed**" means the Agency and Trust Deed as amended and restated by this Deed in the form set out in Appendix 2.

"**Amended and Restated Loan Agreement**" means the Loan Agreement as amended and restated by this Deed in the form set out in Appendix 1.

"**Amendment Account Pledge**" means an amendment to each New Account Pledge relating to the accession of National Bank of Greece S.A. as lender under the Amended and Restated Loan Agreement in the Agreed Form and, in the plural, means all of them.

"**Effective Date**" means the date on which the conditions precedent in Clause 3 (*Conditions Precedent*) are satisfied as confirmed by the Effective Date Certificate.

"**Effective Date Certificate**" means a certificate executed by the Agent in the form set out in Schedule 2 (*Effective Date Certificate*).

"**Loan Agreement**" means the loan agreement referred to in Recital (A).

"**Mortgage Addendum**" means, in relation to each of Ship B, Ship E and Ship G, an addendum to the Mortgage on that Ship in the Agreed Form and, in the plural, means all of them.

"**New Account Pledge**" means each of the New Earnings Account Pledges, the New Minimum Liquidity Account Pledge, the New Reserve Account Pledge, the New Retention Account Pledge and, in the plural, means all of them.

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

"**New Charterparty Assignment**" means, in relation to an Assignable Charter of an Additional Ship, any assignment of the rights of the Additional Owner who is a party to that Assignable Charter under that Assignable Charter and any guarantee of such Assignable Charter executed or to be executed by that Additional Owner in favour of the Security Trustee in the Agreed Form and, in the plural, means all of them.

"**New Collateral Guarantee**" means, in relation to each of the Additional Owners, a guarantee of the obligations of the New Borrower under the Amended and Restated Loan Agreement and the other Finance Documents to which the New Borrower is a party, in the Agreed Form.

"**New Earnings Account Pledge**" means, in relation to each Original Owner's and each Additional Owner's Earnings Account (as defined in the Amended and Restated Loan Agreement), a pledge agreement creating security in respect of that Account and/or any time deposit held with the Account Bank in the Agreed Form and, in the plural, means all of them.

"**New General Assignment**" means, in relation to each Additional Ship, a general assignment of (*inter alia*) the Earnings, the Insurances and any Requisition Compensation relative to that Additional Ship in the Agreed Form and, in the plural, means all of them.

"**New Minimum Liquidity Account Pledge**" means, in relation to the Minimum Liquidity Account (as defined in the Amended and Restated Loan Agreement), a pledge agreement creating security in respect of that Account and/or any time deposit held with the Account Bank in the Agreed Form.

"**New Reserve Account Pledge**" means, in relation to the Reserve Account (as defined in the Amended and Restated Loan Agreement), a pledge agreement creating security in respect of that Account and/or any time deposit held with the Account Bank in the Agreed Form.

"**New Retention Account Pledge**" means, in relation to the Retention Account (as defined in the Amended and Restated Loan Agreement), a pledge agreement creating security in respect of that Account and/or any time deposit held with the Account Bank in the Agreed Form.

"**New Mortgage**" means, in relation to each Additional Ship and Ship F, the first preferred ship mortgage or, as the case may be, first priority ship mortgage and deed of covenants collateral thereto, on that Additional Ship and Ship F in the Agreed Form and, in the plural, means all of them.

"**New Security Document**" means each of the Mortgage Addendum, the New Account Pledges, the New Charterparty Assignment, the New Mortgage, the New Approved Manager's Undertaking, the New Collateral Guarantee, the New General Assignment, the Second Mortgage, the Second Priority Deed of Covenant and the Supplemental Security Documents and, in the plural, means all of them.

"**Original Owners**" means, together, Original Owner A, Original Owner B, Original Owner C, Original Owner D, Original Owner E, Original Owner F and Original Owner G.

"**Original Ship**" means each of Ship A, Ship B, Ship C, Ship D, Ship E, Ship F and Ship G as defined in schedule 7 (*details of ships*) of the Amended and Restated Loan Agreement and, in the plural, means all of them.

"**Second Deed of Covenant**" means the second priority deed of covenant collateral to the Second Mortgage and, in the plural, means all of them.

"**Second Mortgage**" means, in relation to each of Ship A, Ship C and Ship D, the second preferred, or as the case may be, priority ship mortgage on that Ship in the Agreed Form and, in the plural, means all of them.

"**Security Parties**" means, together, (i) the Original Owners, (ii) the New Borrower, (iii) the Additional Owners and (iv) the Approved Manager.

"**Ship**" means each of the Original Ships and the Additional Ships.

"**Supplemental Charterparty Assignment**" means, in relation to each Charterparty Assignment in respect of Ship A and Ship E, the supplemental charterparty assignment to that Charterparty Assignment made or to be made between (i) each of Original Owner A and Original Owner E and (ii) the Security Trustee, in the Agreed Form and, in the plural, means all of them.

"**Supplemental General Assignment**" means, in relation to each General Assignment in respect of each Original Ship, the supplemental general assignment to that General Assignment made or to be made between (i) each Original Owner and (ii) the Security Trustee, in the Agreed Form and, in the plural, means all of them.

"**Supplemental Security Documents**" means the Supplemental Charterparty Assignments and the Supplemental General Assignments.

1.2 Defined expressions

Defined expressions in the Loan Agreement and the other Finance Documents shall have the same meanings when used in this Deed (including the Recitals) unless the context otherwise requires or unless otherwise defined in this Deed.

1.3 Application of construction and interpretation provisions of Loan Agreement

Clauses 1.2 (*construction of certain terms*) to 1.6 (*headings*) of the Loan Agreement applies to this Agreement as if it were expressly incorporated in it with any necessary modifications.

1.4 Designation as a Finance Document

The Security Parties and the Agent designate this Deed as a Finance Document.

1.5 Third party rights

Unless provided to the contrary in a Finance Document, a person who is not a party to this Deed has no right under the Third Parties Act to enforce or to enjoy the benefit of any term of this Deed.

2 AGREEMENT OF THE CREDITOR PARTIES

2.1 Agreement of the Lenders

The Lenders agree, subject to and upon the terms and conditions of this Deed, to (i) the Request and (ii) the Consequential Amendments, including the amendment of the Loan Agreement, the Agency and Trust Deed and other Finance Documents.

2.2 Agreement of the Creditor Parties

The Creditor Parties agree, subject to and upon the terms and conditions of this Deed, to the consequential amendment of the Loan Agreement, the Agency and Trust Deed and the other Finance Documents in connection with the matters referred to in Clause 2.1 (*Agreement of the Lenders*).

2.3 Effective Date

The agreement of the Lenders and the other Creditor Parties contained in Clause 2.1 (*Agreement of the Lenders*) and Clause 2.2 (*Agreement of the Creditor Parties*) shall have effect on and from the Effective Date.

3 CONDITIONS PRECEDENT

The agreement of the Lenders and the other Creditor Parties contained in Clause 2.1 (*Agreement of the Lenders*) and Clause 2.2 (*Agreement of the Creditor Parties*) is subject to:

(a) no Event of Default continuing on the date of this Deed and the Effective Date or resulting from the occurrence of the Effective Date;

(b) the representations and warranties to be made by each Security Party in accordance with the relevant Finance Document to which it is a party being true on the date of this Deed and the Effective Date;

(c) no event described in paragraphs (a) to (b) of clause 8.8 (*mandatory prepayment*) of the Loan Agreement having occurred on the date of this Deed or the Effective Date; and

(d) the Agent having received all of the documents and other evidence listed in Schedule 3 (*Conditions Precedent*) in form and substance reasonably satisfactory to the Agent on or before 31 December 2021 or such later date as the Agent may agree with the Borrower.

4 CONDITION SUBSEQUENT

It is a condition subsequent that by 31 December 2021:

(a) Hamburg Commercial Bank AG as transferor lender and National Bank of Greece S.A. as transferee lender enter into a transfer certificate in the form set out in schedule 5 (*transfer certificate*) of the Amended and Restated Loan Agreement, transferring part of Hamburg Commercial Bank AG's Commitment as Lender in an amount equal to $50,000,000; and

(b) the Agent receives a duly executed original of each Amendment Account Pledge.

5 REPRESENTATIONS

5.1 Loan Agreement representations

On the Effective Date, the New Borrower makes the representations and warranties set out in clause 10 (*representations and warranties*) of the Amended and Restated Loan Agreement by reference to the circumstances then existing on the Effective Date.

5.2 Finance Document representations

Each Security Party makes the representations and warranties set out in the Finance Documents (other than the Loan Agreement) to which it is a party, as amended and restated by this Deed and updated with appropriate modifications to refer to this Deed by reference to the circumstances then existing on the Effective Date.

6 RELEASE

Without prejudice to the obligations of the Security Parties in relation to the Finance Documents, all of which shall remain in full force and effect, the Creditor Parties, with effect on and from the Effective Date irrevocably and unconditionally, release:

(a) the Released Borrower from its obligations under the Loan Agreement; and

(b) the Additional Minimum Liquidity Amount (as defined in the Loan Agreement) and any obligation referred to in the Loan Agreement that such amount is required until 29 April 2022.

7 AMENDMENT AND RESTATEMENT OF LOAN AGREEMENT, AGENCY AND TRUST DEED AND OTHER FINANCE DOCUMENTS

7.1 Specific amendments to the Loan Agreement

With effect on and from the Effective Date the Loan Agreement shall be, and shall be deemed by this Deed to be, amended and restated in the form of the Amended and Restated Loan Agreement and, as so amended and restated, the Loan Agreement shall continue to be binding on each of the parties to it in accordance with its terms as so amended and restated.

7.2 Specific amendments to the Agency and Trust Deed

With effect on and from the Effective Date the Agency and Trust Deed shall be, and shall be deemed by this Deed to be, amended and restated in the form of the Amended and Restated Agency and Trust Deed and, as so amended and restated, the Agency and Trust Deed shall continue to be binding on each of the parties to it in accordance with its terms as so amended and restated.

7.3 Amendments to Finance Documents

(a) With effect on and from the Effective Date each of the Finance Documents other than the Loan Agreement shall be, and shall be deemed by this Deed to be, amended as follows:

(i) the definition of, and references throughout each of the Finance Documents to, the "Loan Agreement", the "Agency and Trust Deed" and any of the other Finance Documents shall be construed as if the same referred to, respectively:

(A) the Amended and Restated Loan Agreement;

(B) the Amended and Restated Agency and Trust Deed; and

(C) the other Finance Documents as supplemented and amended by this Clause 7.3 (*Amendments to Finance Documents*);

(ii) by construing references throughout each of the Finance Documents to "the Borrower" as if the same referred to the New Borrower;

(iii) by construing references throughout each of the Finance Documents to "the Owners" if the same referred to the Original Owners together with the Additional Owners, or, where the context so requires, any of them; and

(iv) by construing references throughout each of the Finance Documents to "this Agreement", "this Deed" and other like expressions as if the same referred to such Finance Documents as amended and supplemented by this Deed.

(b) With effect on and from the Effective Date the General Assignment dated 26 August 2021 and made between Original Owner F and the Security Trustee in relation to Ship F shall be deemed by this Deed to be amended by deleting the definition of "Mortgage" and replacing it with the below:

""**Mortgage**" means the first priority Maltese ship mortgage on the Ship dated ____ December 2021.".

(c) With effect on and from the Effective Date the General Assignment dated 26 August 2021 and made between Original Owner G and the Security Trustee in relation to Ship G shall be deemed by this Deed to be amended by deleting the definition of "Mortgage" and replacing it with the below:

""**Mortgage**" means the first preferred Marshall Islands ship mortgage on the Ship dated 26 August 2021.".

7.4 Finance Documents to remain in full force and effect

The Loan Agreement and the Finance Documents shall remain in full force and effect:

(a) in the case of the Loan Agreement as amended and restated pursuant to Clause 7.1 (*Specific amendments to the Loan Agreement*);

(b) in the case of the Agency and Trust Deed as amended and restated pursuant to Clause 7.2 (*Specific amendments to the Agency and Trust Deed*); and

(c) in the case of the Finance Documents, other than the Loan Agreement and the Agency and Trust Deed, as amended and supplemented by the amendments to such Finance Documents contained or referred to in Clause 7.3 (*Amendments to Finance Documents*),

subject to such further or consequential modifications as may be necessary to give full effect to the terms of this Deed.

8 ACCESSION AND ASSUMPTION

With effect on and from (and subject to the occurrence of) the Effective Date:

(a) the New Borrower agrees that:

(i) it will accede to the Loan Agreement and the Agency and Trust Deed as amended and restated or, as the case may be, supplemented by this Deed as borrower and it will assume the obligations of the Released Borrower;

(ii) it will be bound by the terms of the Amended and Restated Loan Agreement and the Amended and Restated Agency and Trust Deed; and

(iii) it will be liable for:

(A) the repayment of the Loan plus interest accrued thereon in accordance with the Amended and Restated Loan Agreement; and

(B) all other obligations and liabilities under the Amended and Restated Loan Agreement and the Amended and Restated Agency and Trust Deed;

(b) each Original Owner:

(i) confirms its acceptance of the amendments to the Loan Agreement, the Agency and Trust Deed and the other Finance Documents effected by this Deed;

(ii) agrees that it is bound as a Security Party (as defined in the Amended and Restated Loan Agreement); and

(iii) confirms that the definition of, and references throughout each of the Finance Documents to, the Loan Agreement, the Agency and Trust Deed and any of the other Finance Documents shall be construed as if the same referred to the Loan Agreement, the Agency and Trust Deed and those Finance Documents as amended and restated by this Deed and, where appropriate, the New Security Documents;

(iv) confirms that its guarantee and indemnity:

(A) continues to have full force and effect on the terms of each Collateral Guarantee entered into with the Security Trustee; and

(B) extends to the obligations of the New Borrower and each relevant Security party under the Amended and Restated Loan Agreement and the other Finance Documents (as amended and restated by this Deed and as may be further amended and supplemented from time to time);

(c) each Additional Owner:

(i) confirms its acceptance of the amendments to the Loan Agreement, the Agency and Trust Deed and the Finance Documents effected by this Deed;

(ii) agrees that it is bound as a Security Party (as defined in the Amended and Restated Loan Agreement); and

(iii) agrees to enter into the New Collateral Guarantees; and

(d) the Creditor Parties agree to the accession by the New Borrower to the Loan Agreement and the Agency and Trust Deed as amended and restated and/or supplemented by this Deed.

9 SECURITY CONFIRMATION

On the Effective Date, each Security Party (other than the New Borrower) confirms that:

(a) any Security Interest created by it under the Finance Documents extends to the obligations of the relevant Security Parties under the Finance Documents (including, without limitation, the Collateral Guarantees) as amended and restated and/or supplemented by this Deed;

(b) the obligations of the relevant Security Parties arising under the Finance Documents as amended and restated and/or supplemented by this Deed are included in the Secured Liabilities (as defined in the Finance Documents to which it is a party);

(c) the Security Interest created under the Finance Documents as amended and restated and/or supplemented by this Deed continues in full force and effect on the terms of the respective Finance Documents; and

(d) to the extent that this confirmation creates a new Security Interest, such Security Interest shall be on the terms of the Finance Documents (as defined in the Amended and Restated Loan agreement) in respect of which this confirmation is given.

10 FURTHER ASSURANCE

10.1 Further assurance

(a) The Released Borrower and each Security Party shall promptly, and in any event within the time period specified by the 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, acknowledgements, proxies and powers of attorney), as the Agent may specify (and in such form as the Agent may require in favour of the Agent or its nominee(s)) to implement the terms and provisions of this Deed.

(b) The Released Borrower and each Security Party shall promptly, and in any event within the time period specified by the Security Trustee 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 Trustee may specify (and in such form as the Security Trustee may require in favour of the Security Trustee or its nominee(s)):

(i) to create, perfect, vest in favour of the Security Trustee or protect the priority of the Security Interest or any right or any kind created or intended to be created under or evidenced by the Finance Documents as amended and restated and/or supplemented by this Deed (which may include the execution of a mortgage, charge, assignment or other Security Interest over all or any of the assets which are, or are intended to be, the subject of the Security Interest created by a Finance Document) or for the exercise of any rights, powers and remedies of the Security Trustee, any Receiver or the Creditor Parties provided by or pursuant to the Finance Documents as amended and restated and/or supplemented by this Deed or by law;

(ii) 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 Security Interest created by a Finance Document or to exercise any power specified in any Finance Document as amended and restated and/or supplemented by this Deed in respect of which the Security Interest has become enforceable; and/or

(iii) to enable or assist the Security Trustee 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 Trust Property.

(c) The Released Borrower and each Security Party shall promptly, 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 Interest conferred or intended to be conferred on the Security Trustee or the Creditor Parties by or pursuant to the Finance Documents as amended and restated and/or supplemented by this Deed.

10.2 Additional corporate action

At the same time as the Released Borrower or a Security Party delivers to the Agent or Security Trustee any document executed under this Clause 8 (*Further Assurance*), the Released Borrower and any relevant Security Party shall deliver to the Agent or Security Trustee as applicable a certificate signed by an officer of the Released Borrower or any relevant Security Party (as the case may be) which shall:

(a) set out the text of a resolution of the Released Borrower's or that Security Party's directors specifically authorising the execution of the document specified by the Agent or the Security Trustee as applicable; and

(b) state that either the resolution was duly passed at a meeting of the directors validly convened and held, throughout which a quorum of directors entitled to vote on the resolution was present, or that the resolution has been signed by all the directors of officers and is valid under the Released Borrower's or that Security Party's articles of incorporation or other constitutional documents.

11 COSTS AND EXPENSES

Clause 20.3 (*costs of variation, amendments, enforcement etc.*) of the Loan Agreement, as amended and restated by this Deed, applies to this Deed as if it were expressly incorporated in it with any necessary modifications.

12 NOTICES

Clause 28 (*notices*) of the Loan Agreement, as amended and restated by this Deed, applies to this Deed as if it were expressly incorporated in it with any necessary modifications.

13 COUNTERPARTS

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

14 GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

15 ENFORCEMENT

15.1 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

(b) The Released Borrower and each of the Security Parties accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly the Released Borrower and each of the Security Parties will not argue to the contrary.

(c) This Clause 15.1 (*Jurisdiction*) is for the benefit of the Creditor Parties only. As a result, no Creditor Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Creditor Parties may take concurrent proceedings in any number of jurisdictions.

15.2 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law, the Released Borrower and each of the Security Parties:

(i) irrevocably appoints Hill Dickinson LLP at their office for the time being, presently 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 Released Borrower and each of the Security Parties 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 Released Borrower and each of the Security Parties must immediately (and in any event within 7 days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

This Deed has been duly executed by or on behalf of the parties hereto as a Deed and has, on the date stated at the beginning of this Deed, been delivered as a Deed.

RELEASED BORROWER

EXECUTED AS A DEED	)	
By **NAVIOS MARITIME**	)	
ACQUISITION CORPORATION	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85	)	
Piraeus		

NEW BORROWER

EXECUTED AS A DEED	)	
By **NAVIOS MARITIME**	)	
PARTNERS L.P.	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85	)	
Piraeus		

ORIGINAL OWNERS

EXECUTED AS A DEED	)	
By **SAMOS SHIPPING CORPORATION**	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85	)	
Piraeus		

EXECUTED AS A DEED for and on behalf of **SHINYO SAOWALAK LIMITED** expressly authorised in accordance with the laws of the British Virgin Islands)
) /s/ Stratigoula Sakellariou
) Attorney-In-Fact
)
) Name: Stratigoula Sakellariou

in the presence of:

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

EXECUTED AS A DEED for and on behalf of **SHINYO KIERAN LIMITED** expressly authorised in accordance with the laws of the British Virgin Islands)
) /s/ Stratigoula Sakellariou
) Attorney-In-Fact
)
) Name: Stratigoula Sakellariou

in the presence of:

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

EXECUTED AS A DEED)
By **LEFKADA SHIPPING CORPORATION**)
acting by) /s/ Stratigoula Sakellariou
being an attorney-in-fact)
in the presence of:)

Witness' signature: /s/ Maria Trivela) /s/ Maria Trivela
Witness' name: Maria Trivela)
Witness' address: Akti Miaouli 85)
Piraeus

EXECUTED AS A DEED	)	
By **TILOS SHIPPING CORPORATION**	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85 Piraeus	)	
EXECUTED AS A DEED	)	
By **AMORGOS SHIPPING CORPORATION**	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85 Piraeus	)	
EXECUTED AS A DEED	)	
By **ANDROS SHIPPING CORPORATION**	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85 Piraeus	)	

ADDITIONAL OWNERS

EXECUTED AS A DEED	)	
By **JASPERO SHIPTRADE S.A.**	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85 Piraeus	)	

EXECUTED AS A DEED	)	
By **THETIDA MARINE CO.**	)	
acting by Stratigoula Sakellariou	)	/s/ Stratigoula Sakellariou
being an attorney-in fact	)	
in the presence of:	)	
Witness' signature: /s/ Maria Trivela	)	/s/ Maria Trivela
witness' name: Maria Trivela	)	
Witness' address: Akti Miaouli 85 Piraeus	)	

LENDERS

EXECUTED AS A DEED	)	
By **HAMBURG COMMERCIAL BANK AG**	)	
acting by Charalambos Clonantzu	)	/s/ Charalambos Clonantzu
being an attorney-in fact	)	
expressly authorised in	)	
accordance with the laws of	)	
Germany	)	
in the presence of:	)	
Witness' signature:	)	
witness' name:	)	
Witness' address:	)	**/s/ Aikaterina Dimitriou**

AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

EXECUTED AS A DEED	)	
By **ALPHA BANK S.A.**	)	
acting by	)	/s/ A.S Damianidou
being an attorney-in fact	)	A.S DAMIANIDOU
expressly authorised in	)	
accordance with the laws of	)	
Greece	)	/s/ Chrysanthi G. Papathanasopoulou
in the presence of:	)	
Witness' signature:	)	
witness' name:	)	/s/ Giannoulis Ioannis
Witness' address:	)	GIANNOULIS IOANNIS

AGENT

EXECUTED AS A DEED	)	Charalampos Kazantzis
By **HAMBURG COMMERCIAL BANK AG**	)	
acting by CHARALAMPOS KAZANTZIS	)	/s/ Charalampos Kazantzis
being an attorney-in fact	)	
expressly authorised in	)	
accordance with the laws of	)	
Germany	)	
in the presence of:	)	
Witness' signature:	)	
witness' name:	)	**/s/ Aikaterina Dimitriou**
Witness' address:	)	**AIKATERINA DIMITRIOU** **WATSON FARLEY & WILLIAMS** **348 SYNGROU AVENUE** **176 74 KALLITHEA** **ATHENS - GREECE**

MANDATED LEAD ARRANGER

EXECUTED AS A DEED	)	
By **HAMBURG COMMERCIAL BANK AG**	)	
acting by CHARALAMPOS KAZANTZIS	)	/s/ Charalampos Kazantzis
being an attorney-in fact	)	
expressly authorised in	)	
accordance with the laws of	)	
Germany	)	
in the presence of:	)	
Witness' signature:	)	
witness' name:	)	**/s/ Aikaterina Dimitriou**
Witness' address:	)	**AIKATERINA DIMITRIOU** **WATSON FARLEY & WILLIAMS** **348 SYNGROU AVENUE** **176 74 KALLITHEA** **ATHENS - GREECE**

SECURITY TRUSTEE

EXECUTED AS A DEED	)	
By **HAMBURG COMMERCIAL BANK AG**	)	
acting by CHARALAMPOS KAZANTZIS	)	/s/ Charalampos Kazantzis
being an attorney-in fact	)	
expressly authorised in	)	
accordance with the laws of	)	
Germany	)	
in the presence of:	)	
Witness' signature:	)	
witness' name:	)	**/s/ Aikaterina Dimitriou**
Witness' address:	)	**AIKATERINA DIMITRIOU** **WATSON FARLEY & WILLIAMS** **348 SYNGROU AVENUE** **176 74 KALLITHEA** **ATHENS - GREECE**

Dated 13 December 2021

ZAKYNTHOS SHIPPING CORPORATION
DELOS SHIPPING CORPORATION
KERKYRA SHIPPING CORPORATION
ALKMENE SHIPPING CORPORATION and
PERSEPHONE SHIPPING CORPORATION
as Original Borrowers

and
CHERNAVA MARINE CORP.
as Additional Borrower

and
NAVIOS MARITIME ACQUISITION CORPORATION
as Released Corporate Guarantor

and
NAVIOS MARITIME PARTNERS L.P.
as New Corporate Guarantor

and
AEGEAN SEA MARITIME HOLDINGS INC.
as Shareholder
and
DOXA INTERNATIONAL CORP.
as Collateral Provider
and
NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION
as Released Subordinated Creditor

and
THE BANKS AND FINANCIAL INSTITUTIONS
listed in schedule 1
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

DEED OF ACCESSION, AMENDMENT, RELEASE AND RESTATEMENT

relating to a loan agreement
dated 25 August 2021 (as amended and supplemented by a supplemental letter dated 17 November 2021)

WATSON FARLEY
&
WILLIAMS

Index

THIS DEED is made on 13 December 2021

PARTIES

(1) **ZAKYNTHOS SHIPPING CORPORATION**, **DELOS SHIPPING CORPORATION**, **KERKYRA SHIPPING CORPORATION**, **ALKMENE SHIPPING CORPORATION** and **PERSEPHONE SHIPPING CORPORATION**, each a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as original borrowers ("**Original Borrower A**", "**Original Borrower B**", "**Original Borrower C**", "**Original Borrower D**" and "**Original Borrower E**" respectively, and together the "**Original Borrowers**");

(2) **CHERNAVA MARINE CORP.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as additional borrower (the "**Additional Borrower**");

(3) **NAVIOS MARITIME ACQUISITION COPPORATION**, a corporation incorporated under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960 as released corporate guarantor (the "**Released Corporate Guarantor**");

(4) **NAVIOS MARITIME PARTNERS L.P.**, a limited partnership formed and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as new corporate guarantor (the "**New Corporate Guarantor**");

(5) **AEGEAN SEA MARITIME HOLDINGS INC.**, a corporation incorporated in the Republic of the Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 as shareholder (a "**Shareholder**");

(6) **DOXA INTERNATIONAL CORP.**, a corporation incorporated in the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Marshall Islands as collateral provider (the "**Collateral Provider**");

(7) **NAVIOS SHIPMANAGEMENT HOLDINGS CORPORATION**, a corporation incorporated in the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro MH96960, Marshall Islands as released subordinated creditor (the "**Released Subordinated Creditor**");

(8) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 (*lenders and commitments*) of the Loan Agreement as lenders (the "**Lenders**");

(9) **BNP PARIBAS** whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France and **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre as mandated lead arrangers (the "**Mandated Lead Arrangers**" and each a "**Mandated Lead Arranger**"); and

(10) **BNP PARIBAS** whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France as agent and security trustee (the "**Agent**" and the "**Security Trustee**").

BACKGROUND

(A) By a loan agreement (originally) dated 25 August 2021 (as amended and supplemented by a supplemental letter dated 17 November 2021) and made among (i) the Original Borrowers as joint and several borrowers, (ii) the Lenders, (iii) BNP Paribas as bookrunner and arranger, (iv) the Mandated Lead Arrangers, (v) the Agent and (vi) the Security Trustee, the Lenders made available to the Original Borrowers a loan of (originally) $96,000,000, of which an amount of $91,375,000 is outstanding by way of principal on the date hereof.

(B) By an agency and trust deed dated 25 August 2021 entered into pursuant to the Loan Agreement, it was agreed that the Security Trustee would hold the Trust Property on trust for the Creditor Parties.

(C) By a corporate guarantee dated 26 August 2021 and made between (i) the Released Corporate Guarantor and (ii) the Security Trustee, the Released Corporate Guarantor guaranteed the obligations of the Original Borrowers under the Loan Agreement and the other Finance Documents.

(D) The Original Borrowers and the Released Corporate Guarantor have requested (the "**Request**") that the Creditor Parties agree to, *inter alia*, the following:

(i) the release of the Released Corporate Guarantor from its obligations under the Original Corporate Guarantee; and

(ii) the entry of the New Corporate Guarantor into a corporate guarantee guaranteeing the obligations of Borrowers under the Loan Agreement (as amended and supplemented from time to time) and the other Finance Documents (as amended and supplemented from time to time).

(E) This Deed sets out the terms and conditions on which the Creditor Parties agree to the Request and together with the Original Security Parties agree, with effect on and from the Effective Date, to, *inter alia*, the following:

(i) the Additional Borrower acceding to the Loan Agreement and to certain of the other Finance Documents and assuming jointly and severally with the Original Borrowers, the Original Borrowers' obligations thereunder (the "**Accession**");

(ii) the entry by the Security Parties into the New Security Documents in connection with the Accession and the Release; and

(iii) the consequential amendments to the Loan Agreement and the other Continuing Finance Documents in connection with the Request (the "**Consequential Amendments**").

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 Defined expressions

Words and expressions defined in the Loan Agreement shall have the same meanings when used in this Deed (including the Recitals) unless the context otherwise requires or they are otherwise defined in this Deed.

1.2 Definitions

In this Deed, unless the contrary intention appears:

"**Account Pledge**" means each of the Earnings Account Pledges and the Retention Account Pledge and in the plural means all of them;

"**Additional Ship**" means a post-panamax container vessel owned by the Additional Borrower as further defined as Ship F as defined in schedule 5 (*vessel details*) of the Amended and Restated Loan Agreement;

"**Agency and Trust Deed**" means the agency and trust deed referred to in Recital (B);

"**Amended and Restated Agency and Trust Deed**" means the Agency and Trust Deed, as amended and restated by this Deed, in the form set out in Appendix 2;

"**Amended and Restated Loan Agreement**" means the Loan Agreement, as amended and restated by this Deed, in the form set out in Appendix 1;

"**Borrowers**" means the Original Borrowers and the Additional Borrower, as borrowers on a joint and several basis under the Loan Agreement as amended and restated by this Deed;

"**Continuing Finance Documents**" means any Finance Document other than the Released Finance Documents;

"**Earnings Account Pledge**" means each earnings account pledge in relation to the Earnings Account (as defined in the Amended and Restated Loan Agreement) in the name of each Borrower made or to be made among (i) each Borrower, (ii) the Lenders, (iii) the Agent, (iv) the Security Trustee and (v) the Account Bank (as defined in the Amended and Restated Loan Agreement), in such form as the Lenders may approve or require and in the plural means all of them;

"**Effective Date**" means the date on which the conditions precedent in Clause 3.2 (*Conditions precedent*) are satisfied as confirmed by the Effective Date Certificate;

"**Effective Date Certificate**" means a certificate executed by the Agent in the form set out in Schedule 1 (*Effective Date Certificate*);

"**Loan Agreement**" means the loan agreement referred to in Recital (A);

"**Mortgage Addendum**" means, in relation to each of Ship A, Ship D and Ship E, an addendum to the Mortgage over that Ship made or to be made between (i) each of Original Borrower A, Original Borrower D and Original Borrower E and (ii) the Security Trustee, in such form as the Lenders may approve or require and in the plural means all of them;

"**New Approved Manager's Undertaking**" means a manager's undertaking, including an assignment of insurances dated granted or to be granted by an Approved Manager in favour of the Security Trustee in relation to the Additional Ship, in such form as the Lenders may approve or require;

"**New Charterparty Assignment**" means, in relation to the Additional Ship, the deed of assignment of any Charterparty in favour of the Security Trustee, in such form as the Lenders may approve or require;

"**New Corporate Guarantee**" means the guarantee given or to be given by the New Corporate Guarantor in favour of the Security Trustee, guaranteeing the obligations of the Borrowers under the Amended and Restated Loan Agreement and the other Finance Documents (as defined in the Amended and Restated Loan Agreement), in such form as the Lenders may approve or require;

"**New General Assignment**" means a general assignment in relation to the Additional Ship's Earnings, Insurances and Requisition Compensation granted or to be granted by the Additional Borrower in favour of the Security Trustee, in such form as the Lenders may approve or require;

"**New Mortgage**" means a first preferred Liberian mortgage in respect of the Additional Ship granted or to be granted by the Additional Borrower in favour of the Security Trustee, in such form as the Lenders may approve or require;

"**New Shares Security Deed**" means a pledge in relation to the shares of the Additional Borrower made or to be made by the Shareholder of the Additional Borrower in favour of the Security Trustee, in such form as the Lenders may approve or require;

"**New Security Documents**" means each of the Account Pledges, the Mortgage Addendum, the New Approved Manager's Undertaking, the New Charterparty Assignment, the New Corporate Guarantee, the New General Assignment, the New Mortgage, the New Shares Security, the Second Priority Mortgage, the Second Priority Deed of Covenant and the Supplemental Security Documents;

"**Original Security Parties**" means, together, (i) the Approved Manager and (ii) the Shareholder of the Original Borrowers;

"**Original Ship**" means each of Ship A, Ship B, Ship C, Ship D and Ship E as defined in schedule 5 (*vessel details*) of the Amended and Restated Loan Agreement and in the plural means all of them;

"**Released Corporate Guarantee**" means the Corporate Guarantee referred to in Recital (C);

"**Released Subordination Agreement**" means a subordination agreement dated 25 August 2021 and made among (i) the Released Corporate Guarantor, (ii) Released Subordinated Creditor and (iii) the Security Trustee, relating to a loan agreement dated 19 March 2021 and made between (i) the Released Corporate Guarantor as borrower and (ii) the Released Subordinated Creditor as lender in respect of a loan of up to $100,000,000 in up to five advances for general corporate purposes;

"**Released Finance Documents**" means each of the Released Corporate Guarantee and the Released Subordination Agreement;

"**Retention Account Pledge**" means a retention account pledge in relation to the Original Borrowers' Retention Account (as defined in the Amended and Restated Loan Agreement) made or to be made among (i) the Original Borrowers, (ii) the Lenders, (iii) the Agent, (iv) the Security Trustee and (v) the Account Bank (as defined in the Amended and Restated Loan Agreement), in such form as the Lenders may approve or require;

"**Shareholder**" means:

(a) in relation to each Original Borrower, Aegean Sea Maritime Holdings Inc., a corporation incorporated in the Republic of the Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960; and

(b) in relation to the Additional Borrower, Boheme Navigation Company, 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,

and in the plural means all of them;

"**Second Priority Mortgage**" means, in relation to each of Ship B and Ship C, a second priority Hong Kong ship mortgage to the Mortgage over that Ship made or to be made between (i) each of Original Borrower B and Original Borrower C and (ii) the Security Trustee, in such form as the Lenders may approve or require and in the plural means all of them;

"**Second Priority Deed of Covenant**" means, the second priority deed of covenant in respect of each of Ship B and Ship C made or to be made between (i) each of Original Borrower B and Original Borrower C and (ii) the Security Trustee, in such form as the Lenders may approve or require and in the plural means all of them;

"**Security Parties**" means, together, (i) the Original Security Parties, (ii) the Borrowers, (iii) the New Corporate Guarantor and (iv) the Shareholder of the Additional Borrower;

"**Subject Security Parties**" means (i) the Released Corporate Guarantor and (ii) the Released Subordinated Creditor;

"**Supplemental Charterparty Assignment**" means, in relation to each Charterparty Assignment in respect of each of Ship A, Ship C and the Collateral Ship, the supplemental charterparty assignment to that Charterparty Assignment made or to be made between (i) each of Original Borrower A, Original Borrower C and the Collateral Provider and (ii) the Security Trustee, in such form as the Lenders may approve or require and in the plural means all of them;

"**Supplemental General Assignment**" means, in relation to each General Assignment in respect of each Original Ship, the supplemental general assignment to that General Assignment made or to be made between (i) each Original Borrower and (ii) the Security Trustee, in such form as the Lenders may approve or require and in the plural means all of them;

"**Supplemental Shares Security Deed**" means, in relation to each Shares Security Deed in respect of the Original Borrowers, the supplemental shares security deed to that Shares Security Deed made or to be made between (i) in relation to each Original Borrower, the Shareholder and (ii) the Security Trustee, in such form as the Lenders may approve or require and in the plural means all of them; and

"**Supplemental Security Documents**" means each of the Supplemental Charterparty Assignments, the Supplemental General Assignments and the Supplemental Shares Security Deeds.

1.3 Application of construction and interpretation provisions of Loan Agreement

Clauses 1.2 (*construction of certain terms*) and 1.5 (*general interpretation*) of the Loan Agreement apply, with any necessary modifications, to this Deed.

2 AGREEMENT OF THE CREDITOR PARTIES

2.1 Agreement of the Creditor Parties

The Creditor Parties, subject to and upon the other terms and conditions of this Deed, hereby agree to (i) the Request and (ii) the Consequential Amendments, including the amendment of the Loan Agreement, the Agency and Trust Deed and the other Continuing Finance Documents as set out in Clause 5 (*Release*) hereof.

2.2 Effective Date

The agreement of the Creditor Parties contained in Clause 2.1 (*Agreement of the Creditor Parties*) shall have effect on and from the Effective Date.

3 CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

3.1 General

The agreement contained in Clause 2.1 (*Agreement of the Creditor Parties*) is subject to the fulfilment of the conditions precedent in Clause 3.2 (*Conditions precedent*).

3.2 Conditions precedent

The conditions referred to in Clause 3.1 (*General*) are that the Agent shall have received the following documents and evidence in all respects in form and substance satisfactory to the Agent and its lawyers on or before the Effective Date (or such later date as the Agent may agree with the Borrowers and the New Corporate Guarantor):

(a) copies of the certificate of incorporation and constitutional documents of the Additional Borrower, the Shareholder of the Additional Borrower and the New Corporate Guarantor;

(b) copies of resolutions of the directors, members, partners, managers and shareholders of each Security Party and each Subject Security Party, authorising the execution of this Deed and the New Security Documents to which each is a party;

(c) evidence in form satisfactory to the Agent that each Security Party is in goodstanding in its jurisdiction of incorporation;

(d) the original of any power of attorney under which this Deed and the New Security Documents are to be executed on behalf of the Security Parties and the Subject Security Parties (as applicable);

(e) copies of all consents which the Borrowers, the New Corporate Guarantor or any Security Party requires to enter into, or make any payment under, any New Security Document.

(f) a duly executed original of this Deed and the New Security Documents;

(g) documentary evidence that;

(i) the Additional Ship is definitively and permanently registered in the name of the Additional Borrower under the Liberian flag;

(ii) the Additional Ship is in the absolute and unencumbered ownership of the Additional Borrower;

(iii) the Additional Ship maintains the highest available class with a first-class classification society which is a member of IACS as the Agent may approve free of all overdue recommendations and conditions of such classification society;

(iv) the New Mortgage has been duly registered against the Additional Ship and in accordance with the laws of Liberia;

(v) each Mortgage Addendum has been duly registered against the relevant Original Ships and in accordance with the laws of Panama;

(vi) each Second Priority Mortgage has been duly registered against the relevant Original Ships and in accordance with the laws of Hong Kong; and

(vii) the Additional Ship is insured in accordance with the provisions of the Amended and Restated Loan Agreement and all requirements therein in respect of insurances have been complied with, including agreed form letters of undertaking of the insurance brokers and club managers, certificates of entry and/or cover notes with respect to the Additional Ship;

(h) documents establishing that the Additional Ship will, as from the Effective Date, be managed by an Approved Manager on terms acceptable to the Lender, together with:

(i) the New Approved Manager's Undertaking in respect of the Additional Ship;

(ii) copies of the Approved Manager's document of compliance (DOC) and the safety management certificate (SMC) in respect of the Additional Ship referred to in paragraph (a) of the definition of the ISM Code Documentation certified as true and in effect by the Additional Borrower and the Approved Manager; and

(iii) a copy of the International Ship Security Certificate in respect of the Additional Ship certified as true and in effect by the Additional Borrower and the Approved Manager;

(i) a favourable opinion from an independent insurance consultant acceptable to the Agent on such matters relating to the Insurances (as defined in the Amended and Restated Loan Agreement) for the relevant Ship as the Agent may require (all fees and expenses incurred in relation to the appointment of the marine insurance broker for the purpose of issuing such opinion shall be for the account of the Borrowers);

(j) evidence satisfactory to the Agent that the Minimum Liquidity amount (as defined in the Amended and Restated Loan Agreement) is standing to the credit of the Earnings Account of each Borrower;

(k) favourable legal opinions from lawyers appointed by the Agent on such matters concerning the laws of the Marshall Islands, Liberia, Panama, Hong Kong, Switzerland and such other relevant jurisdictions as the Agent may require;

(l) evidence that the process agent named in Clause 13.3 (*Process agent*) has accepted its appointment;

(m) evidence satisfactory to the Agent that the Borrowers have paid in full the fee set out in Clause 10.1 (*Amendment fee*); and

(n) if the Agent so requires, in respect of any of the documents referred to above, a certified English translation prepared by a translator approved by the Agent.

3.3 Waiver of conditions precedent

If the Agent, at its discretion, permits for the Effective Date to take place before certain of the conditions referred to in Clause 3.2 (*Conditions precedent*) are satisfied, each of the Security Parties shall ensure that those conditions are satisfied within five Business Days after the Effective Date (or such longer period as the Agent may specify at its sole discretion), which however, shall not be taken as a waiver of the Agent's right to require production of all the documents and evidence required by Clause 3.2 (*Conditions precedent*).

3.4 Conditions subsequent

As a condition subsequent, the Additional Borrower shall within 90 days of the Effective Date have procured that the Agent receives:

(a) the originals of any mandates or other documents required in connection with the opening and/or operation of the Earnings Account of the Additional Borrower (including but not limited to two certified forms of identification in respect of the signatory of the Earnings Account of an officer of the Additional Borrower) and all other information required by the Creditor Parties or any of them in relation to their "know your customer" regulations including, but not limited to, all applicable laws of the European Union, Switzerland and United States of America in connection with the Additional Borrower and any other Security Party and their respective beneficial owners (whether in connection with the opening of the Earnings Account of the Additional Borrower or otherwise);

(b) a duly executed original of the Earnings Account Pledge in relation to the Additional Borrower;

(c) copies of resolutions of the shareholders and directors, as applicable, of the Additional Borrower (as applicable) authorising the execution of the Earnings Account Pledge in relation to the Additional Borrower;

(d) the original of any power of attorney under which the Earnings Account Pledge above is to be executed on behalf of the Additional Borrower; and

(e) favourable legal opinions from lawyers appointed by the Agent on such matters concerning the laws of the Marshall Islands, Switzerland and such other relevant jurisdictions as the Agent may require.

4 REPRESENTATIONS AND WARRANTIES

4.1 Repetition of Loan Agreement and Finance Documents representations and warranties

Each of the Original Borrowers, the Original Security Parties and the Subject Security Parties represents and warrants to the Creditor Parties that the representations and warranties in clause 10 (*representations and warranties*) of the Loan Agreement or the relevant representations and warranties of the other Finance Documents to which each of them is a party are true and not misleading if repeated on the date of this Deed.

4.2 Representation and warranties of the Borrowers

The representations and warranties in clause 10 (*representations and warranties*) of the Amended and Restated Loan Agreement are deemed to be made on the Effective Date by the Borrowers with reference to the circumstances existing on the Effective Date.

4.3 Repetition of Continuing Finance Documents representations and warranties

The Security Parties represent and warrant to the Creditor Parties that the representations and warranties in the Continuing Finance Documents (other than the Amended and Restated Loan Agreement) to which each of them is a party, as amended and restated by this Deed and updated with appropriate modifications to refer to this Deed, remain true and not misleading if repeated on the Effective Date with reference to the circumstances existing on the Effective Date.

5 RELEASE

Without prejudice to the obligations of the Security Parties in relation to the Continuing Finance Documents, all of which shall remain in full force and effect, the Creditor Parties, with effect on and from the Effective Date irrevocably and unconditionally, release:

(a) the Released Corporate Guarantor from its obligations under the Released Corporate Guarantee and the Released Subordination Agreement; and

(b) the Released Subordinated Creditor from its obligations under the Released Subordination Agreement.

6 AMENDMENT AND RESTATEMENT OF LOAN AGREEMENT AND AGENCY AND TRUST DEED

6.1 Amendment and restatement of the Loan Agreement

With effect on and from the Effective Date, the Loan Agreement shall be, and shall be deemed by this Deed to be amended and restated in the form of the Amended and Restated Loan Agreement as attached in Appendix 1.

6.2 Amendment and restatement of the Agency and Trust Deed

With effect on and from the Effective Date, the Agency and Trust Deed shall be, and shall be deemed by this Deed to be amended and restated in the form of the Amended and Restated Agency and Trust Deed as attached in Appendix 2.

6.3 Amendments to Continuing Finance Documents

With effect on and from (and subject to the occurrence of) the Effective Date, the Continuing Finance Documents shall be, and shall be deemed by this Deed to be, amended as follows:

(a) the definition of, and references throughout each of the Continuing Finance Documents to the "Loan Agreement", the "Agency and Trust Deed" and any of the other Continuing Finance Documents shall be construed as if the same referred to, respectively:

(i) the Amended and Restated Loan Agreement;

(ii) the Amended and Restated Agency and Trust Deed; and

(iii) the other Continuing Finance Documents as supplemented and amended by this Clause 6.3 (*Amendments to Continuing Finance Documents*);

(b) by construing references throughout each of the Continuing Finance Documents to "the Borrowers" as if the same referred to the Original Borrowers and the Additional Borrower as joint and several borrowers, or, where the context so requires, any of them;

(c) by construing references throughout each of the Continuing Finance Documents to "the Corporate Guarantor" as if the same referred to the New Corporate Guarantor; and

(d) by construing references throughout each of the Continuing Finance Documents to "this Agreement", "this Deed", "hereunder" and other like expressions as if the same referred to those Continuing Finance Documents as supplemented and amended by this Deed.

6.4 Continuing Finance Documents to remain in full force and effect

The Loan Agreement and each of the other Continuing Finance Documents shall remain in full force and effect as supplemented and amended by:

(a) the amendments contained or referred to in Clauses 6.1 (*Amendment and restatement of the Loan Agreement*) to 6.3 (*Amendments to Continuing Finance Documents*) respectively; and

(b) such further or consequential modifications as may be necessary to give full effect to the terms of this Deed.

7 ACCESSION AND ASSUMPTION

With effect on and from (and subject to the occurrence of) the Effective Date:

(a) the Additional Borrower agrees that:

(i) it will accede to the Loan Agreement and the Agency and Trust Deed as amended and restated or, as the case may be, supplemented by this Deed as a borrower and it will assume jointly and severally with the Original Borrowers, the obligations of the Original Borrowers thereunder;

(ii) it will be bound, on a joint and several basis with the Original Borrowers, by the terms of the Loan Agreement and the Agency and Trust Deed as amended and restated by this Deed; and

(b) the Additional Borrower agrees to be jointly and severally liable for the repayment of the Loan plus interest accrued thereon and all other obligations and liabilities under the Amended and Restated Loan Agreement and the Agency and Trust Deed as amended and restated by this Deed;

(c) each Original Borrower:

(i) confirms its acceptance of the amendments to the Loan Agreement, the Agency and Trust Deed and the Continuing Finance Documents effected by this Deed;

(ii) confirms and acknowledges that it is and remains a party to the Loan Agreement and that its respective obligations under the Loan Agreement and the other Continuing Finance Documents (as amended and restated by this Deed or, as the case may be, supplemented by the Supplemental Security Documents) remain in full force and effect;

(d) each Original Borrower further agrees to be jointly and severally liable together with the Additional Borrower for all other obligations and liabilities under the Loan Agreement and the Continuing Finance Documents as amended and restated by this Deed;

(e) the New Corporate Guarantor:

(i) confirms its acceptance of the amendments to the Loan Agreement, the Agency and Trust Deed and the Finance Documents effected by this Deed;

(ii) agrees it shall be bound as a Security Party (as defined in the Amended and Restated Loan Agreement); and

(iii) agrees to enter into the New Corporate Guarantee.

8 SECURITY

On the Effective Date, each Original Security Party confirms that:

(a) any Security Interest created by it under the Continuing Finance Documents to which it is a party extends to the obligations of the Security Parties under the Continuing Finance Documents (including, without limitation, the Amended and Restated Loan Agreement);

(b) the obligations of the Security Parties arising in relation to the Amended and Restated Loan Agreement are included in the Secured Liabilities;

(c) the Security Interests created pursuant to the Continuing Finance Documents continues in full force and effect on the terms of the respective Continuing Finance Documents; and

(d) to the extent that this confirmation creates a new Security Interest, such Security Interest shall be on the terms of the Finance Documents (as defined in the Amended and Restated Loan Agreement) in respect of which this confirmation is given.

9 FURTHER ASSURANCES

9.1 Security Parties obligation to execute further documents etc.

The Security Parties shall:

(a) execute and deliver to the Agent (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Agent may, in any particular case, specify; and

(b) effect any registration or notarisation, give any notice or take any other step,

which the Agent may, by notice to the relevant Security Party, specify for any of the purposes described in Clause 9.2 (*Purposes of further assurances*) or for any similar or related purpose.

9.2 Purposes of further assurances

Those purposes are:

(a) validly and effectively to create any Security Interest or right of any kind which the Security Trustee intended should be created by or pursuant to the Loan Agreement or any other Finance Document, each as amended and restated or supplemented by this Deed; and

(b) implementing the terms and provisions of this Deed.

9.3 Terms of further assurances

The Agent may specify the terms of any document to be executed by the Security Parties under Clause 9.1 (*Security Parties obligation to execute further documents etc.*), and those terms may include any covenants, powers and provisions which the Agent considers appropriate to protect its interests and the interests of the other Creditor Parties.

9.4 Obligation to comply with notice

The Security Parties shall comply with a notice under Clause 9.1 (*Security Parties obligation to execute further documents etc.*) by the date specified in the notice.

9.5 Additional corporate action

At the same time as the Security Parties deliver to the Agent any document executed under paragraph (a) Clause 9.1 (*Security Parties obligation to execute further documents etc.*), the Security Parties shall also deliver to the Agent a certificate signed by an officer of each Security Party which shall:

(a) set out the text of a resolution of that Security Parties' directors specifically authorising the execution of the document specified by the Agent; and

(b) state that either the resolution was duly passed at a meeting of the directors validly convened and held throughout which a quorum of directors entitled to vote on the resolution was present or that the resolution has been signed by all the directors and is valid under the Security Parties articles of association or other constitutional documents.

10 EXPENSES

10.1 Amendment fee

The Released Borrower shall pay to the Agent on or prior to the date of this Deed a non-refundable amendment fee in the amount of $144,000 for distribution to the Lenders *prorata* to their Commitment.

10.2 Fees and expenses

The provisions of clause 20 (*fees and expenses*) of the Amended and Restated Loan Agreement shall apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications.

11 COMMUNICATIONS

11.1 General

The provisions of clause 28 (*notices*) of the Amended and Restated Loan Agreement shall apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications.

12 SUPPLEMENTAL

12.1 Counterparts

This Deed may be executed in any number of counterparts.

12.2 Third party rights

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

13 LAW AND JURISDICTION

13.1 Governing law

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

13.2 Incorporation of the Loan Agreement provisions

The provisions of clauses 31 (*law and jurisdiction*) of the Amended and Restated Loan Agreement shall apply to this Deed as if they were expressly incorporated in this Deed with any necessary modifications.

13.3 Process agent

Each of the Security Parties irrevocably appoints Hill Dickinson LLP at their office for the time being, presently at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England, to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English Courts which are connected with this Deed.

This DEED has been duly executed by or on behalf of the parties hereto as a Deed and has, on the date stated at the beginning of this Deed, been delivered as a Deed.

EXECUTION PAGES

ORIGINAL BORROWERS

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **ZAKYNTHOS SHIPPING CORPORATION**		)	/s/ Francisco G.Tazelaar
		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **DELOS SHIPPING CORPORATION**		)	/s/ Francisco G.Tazelaar
		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **KERKYRA SHIPPING CORPORATION**		)	/s/ Francisco G.Tazelaar
		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **ALKMENE SHIPPING CORPORATION**		)	/s/ Francisco G.Tazelaar
		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **PERSEPHONE SHIPPING CORPORATION**		)	/s/ Francisco G.Tazelaar
		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

ADDITIONAL BORROWER

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **CHERNAVA MARINE CORP.**		)	/s/ Francisco G.Tazelaar
		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

RELEASED CORPORATE GUARANTOR

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **NAVIOS MARITIME**		)	/s/ Francisco G.Tazelaar
ACQUISITION CORPORATION		)	
acting by	Francisco G.Tazelaar	)	
its duly authorised	Abogado / Attorney-at-law	)	
attorney-in-fact in the presence of:	T° 127 F° 127 CPACF	)	
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

NEW CORPORATE GUARANTOR

EXECUTED and **DELIVERED**		)	
as a **DEED**		)	
by **NAVIOS MARITIME PARTNERS L.P.**		)	/s/ Francisco G.Tazelaar
acting by		)	Francisco G.Tazelaar
its duly authorised		)	Abogado / Attorney-at-law
attorney-in-fact in the presence of:		)	T° 127 F° 127 CPACF
	/s/ Elisavet Kalampaliki		
	ELISAVET KALAMPALIKI		

SHAREHOLDER

EXECUTED and **DELIVERED**)
as a **DEED**)
by **AEGEAN SEA MARITIME HOLDINGS INC.**) /s/ Francisco G.Tazelaar
acting by) Francisco G.Tazelaar
its duly authorised) Abogado / Attorney-at-law
attorney-in-fact in the presence of:) T° 127 F° 127 CPACF

/s/ Elisavet Kalampaliki
ELISAVET KALAMPALIKI

COLLATERAL PROVIDER

EXECUTED and **DELIVERED**)
as a **DEED**)
by **DOXA INTERNATIONAL CORP.**) /s/ Francisco G.Tazelaar
) Francisco G.Tazelaar
acting by) Abogado / Attorney-at-law
its duly authorised) T° 127 F° 127 CPACF
attorney-in-fact in the presence of:)

/s/ Elisavet Kalampaliki
ELISAVET KALAMPALIKI

RELEASED SUBORDINATED CREDITOR

EXECUTED and **DELIVERED**)
as a **DEED**)
by **NAVIOS SHIPMANAGEMENT**) /s/ Francisco G.Tazelaar
HOLDINGS CORPORATION) Francisco G.Tazelaar
) Abogado / Attorney-at-law
acting by) T° 127 F° 127 CPACF
its duly authorised)
attorney-in-fact in the presence of:)

/s/ Elisavet Kalampaliki
ELISAVET KALAMPALIKI

LENDERS

EXECUTED and **DELIVERED**)
as a **DEED**)
by **BNP PARIBAS**)
acting by Charalampos Kazantzis) /s/ Charalampos Kazantzis
its duly authorised)
attorney-in-fact in the presence of:)

/s/ Aikaterina Dimitriou
AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

EXECUTED and **DELIVERED**)
as a **DEED**)
by **CRÉDIT AGRICOLE CORPORATE**)
AND INVESTMENT BANK)
acting by Charalampos Kazantzis) /s/ Charalampos Kazantzis
its duly authorised)
attorney-in-fact in the presence of:) /s/ Aikaterina Dimitriou

AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

MANDATED LEAD ARRANGERS

EXECUTED and **DELIVERED**)
as a **DEED**)
by **BNP PARIBAS**)
acting by Charalampos Kazantzis) /s/ Charalampos Kazantzis
its duly authorised)
attorney-in-fact in the presence of:) /s/ Aikaterina Dimitriou

AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

EXECUTED and **DELIVERED**)
as a **DEED**)
by **CRÉDIT AGRICOLE CORPORATE**)
AND INVESTMENT BANK)
acting by Charalampos Kazantzis) /s/ Charalampos Kazantzis
its duly authorised)
attorney-in-fact in the presence of:)

/s/ Aikaterina Dimitriou

AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

AGENT

EXECUTED and **DELIVERED**)
as a **DEED**)
by **BNP PARIBAS**)
acting by Charalampos Kazantzis) /s/ Charalampos Kazantzis
its duly authorised)
attorney-in-fact in the presence of:)

/s/ Aikaterina Dimitriou

AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

SECURITY TRUSTEE

EXECUTED and **DELIVERED**	)	
as a **DEED**	)	
by **BNP PARIBAS**	)	
acting by Charalampos Kazantzis	)	/s/ Charalampos Kazantzis
its duly authorised	)	
attorney-in-fact in the presence of:	)	

/s/ Aikaterina Dimitriou

AIKATERINA DIMITRIOU
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
176 74 KALLITHEA
ATHENS - GREECE

$55,000,000 TERM LOAN FACILITY

Dated 28 March 2022

ESMERALDA SHIPPING CORPORATION
PROTEUS SHIPTRADE SA
TRIANGLE SHIPPING CORPORATION
as borrowers

- and –

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

- and -

ABN AMRO BANK N.V.
as Agent and as Security Trustee

FACILITY AGREEMENT

Ince
PIRAEUS

INDEX

THIS AGREEMENT IS MADE ON March 2022

BETWEEN

(1) **ESMERALDA SHIPPING CORPORATION**, **PROTEUS SHIPTRADE SA** and **TRIANGLE SHIPPING CORPORATION** as joint and several **Borrowers**;

(2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**;

(3) **ABN AMRO BANK N.V.**, as **Agent**; and

(4) **ABN AMRO BANK N.V.**, as **Security Trustee**.

BACKGROUND

(A) The Lenders have agreed to make available to the Borrowers a loan in a single advance for the purpose of enabling the Borrowers to refinance their Existing Indebtedness (as defined below) and for its general corporate purposes.

(B) The Lenders have agreed to share pari passu in the security to be granted to the Security Trustee pursuant to this Agreement.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions. Subject to Clause 1.5, (*General Interpretation*) in this Agreement (including in the above recitals):

"**Account Bank**" means ABN AMRO Bank N.V. acting through its branch at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, or such other bank as may be designated by the Agent as the Account Bank for the purposes of this Agreement and which is of a rating acceptable to the Lenders, in their sole discretion;

"**Account Security Deed**" means a deed creating security (i) in respect of the Retention Account and (ii) in respect of the Earnings Account of each Borrower, in the agreed form;

"**Additional Banking Day**" means any day specified as such in the Reference Rate Terms;

"**Affected Lender**" has the meaning given in Clause 5.7 (*Market disruption*);

"**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;

"**Agency and Trust Deed**" means the agency and trust deed dated the same date as this Agreement and made between the same parties;

"**Agent**" means ABN AMRO Bank N.V., duly incorporated under the laws of Netherlands, having its registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, acting for the purposes of this Agreement through its office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands, (or of such other address as may last have been notified to the Borrower) or any successor of it appointed under clause 5 (*Appointment of a new Servicing Bank*) of the Agency and Trust Deed;

"**Agreed Form**" means, in relation to any document, that document in the form approved in writing by the Agent or as otherwise approved in accordance with any other approved procedure specified in any relevant provision of any Finance Document;

"**Approved Broker**" means each of (a) Affinity Shipbrokers, Arrow Valuations, Associated Shipbroking Monaco, Braemar ACM Valuations, BRS Barry Rogliano Salles, Cass Technava, Clarksons, Drewry Maritime Services, Fearnleys, Galbraith, Gibson Shipbrokers, Grieg Shipbrokers, Howe Robinson, Kontiki, Lorentzen & Stemoco, Maersk Shipbrokers, Pareto Shipbrokers, SSY, Sterling Shipbrokers, Vessels Value.com and (b) or such other reputable, independent and first class firm of shipbrokers specialising in the valuation of vessels of the relevant type requested by the Borrowers and agreed upon and appointed by the Agent at its sole discretion;

"**Approved Flag**" means the Republic of Liberia, the Republic of Marshall Islands, the Republic of Cyprus, the Republic of Panama or such other flag as the Agent may, with the authorisation of all the Lenders, in their absolute discretion, approve as the flag on which a Ship may be registered;

"**Approved Flag State**" means the Republic of Liberia, the Republic of Marshall Islands, the Republic of Cyprus, the Republic of Panama or any other country in which the Agent may with the authorisation of all the Lenders, approve that a Ship be registered;

"**Availability Period**" means the period commencing on the date of this Agreement and ending on the earliest of (a) 30 April 2022 and (b) any date on which (i) the Loan is equal to the Total Commitments or (ii) the Total Commitments are reduced to zero; or, in each case, such later date as the Agent may, with the authorisation of all the Lenders, agree with the Borrowers;

"**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";

"**Basel IV**" means any amendment, replacement or refinement of Basel III known or to be known as "Basel IV";

"**Borrowers**" means together Borrower A, Borrower B and Borrower C:

"**Business Day**" means a day on which dealings in deposits in Dollars are carried on in the London Interbank Eurocurrency Market and (other than Saturday or Sunday) on which banks are open for business in London, Piraeus and New York City and in relation to:

(a) any date for payment or purchase of an amount relating to the Loan or any part of the Loan; or

(b) the determination of the first day or the last day of an Interest Period for the Loan or any part of the Loan, or otherwise in relation to the determination of the length of such an Interest Period, which is an Additional Banking Day relating to the Loan or that part of the Loan;

"**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;

"**Change of Control**" means that (a) the Permitted Owners own less than 5% of the partnership interests in the Guarantor and/or the GP Permitted Owners own less than 100% of the membership interest of the general partner at any time of the Guarantor or (b) the issued shares of the Shareholders are not registered in the ownership of (i) Navios Maritime Containers Sub LP, of the Marshall Islands, and (ii) the Guarantor;

"**Charter Assignment**" means, in relation to any Extended Employment Contract over a Ship, the assignment thereof in the Agreed Form;

"**Code**" means the US Internal Revenue Code of 1986, as amended, and the regulations promulgates and rulings issued thereunder;

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

"**Compliance Certificate**" means a certificate in the form set out in Schedule 5 (or in any other form which the Agent, acting with the authorisation of all the Lenders, approves or requires);

"**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 Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Banks);

(b) specifies a calculation methodology for that rate; and

(c) has been made available to the Borrowers and each Creditor Party;

"Confidential Information" means all information relating to a Security Party, the Group, the Finance Documents or the Loan of which a Creditor Party becomes aware in its capacity as, or for the purpose of becoming, a Creditor Party or which is received by a Creditor Party in relation to, or for the purpose of becoming a Creditor Party under, the Finance Documents or the Facility from either:

(a) any member of the Group or any of its advisers; or

(b) another Creditor Party, if the information was obtained by that Creditor Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(i) is or becomes public information other than as a direct or indirect result of any breach by that Creditor Party of Clauses 26.16 to 26.23 (inclusive) (*Confidentiality*); or

(ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or

is known by that Creditor Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Creditor Party after that date, from a source which is, as far as that Creditor Party is aware, unconnected with the Group and which, in either case, as far as that Creditor Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality;

"**Contractual Currency**" has the meaning given in Clause 21.4 (*Currency indemnity*);

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

"**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;

(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; and

(c) any other law or regulation which implements Basel III;

"**Creditor Party**" means the Agent, the Security Trustee, or any Lender, whether as at the date of this Agreement or at any later time;

"**CRR**" means Regulations (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012

"**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 Agent (or by any other Creditor Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 9 (*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 Agent (or by any other Creditor which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 8 (*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;

"**Dollars**" and "**US$**" mean the lawful currency for the time being of the United States of America;

"**Drawdown Date**" means the date requested by the Borrowers for the Loan to be made available, or (as the context requires) the date on which the Loan is actually made available;

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

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

(a) except to the extent that they fall within paragraph (b):

(i) all freight, hire and passage moneys;

(ii) compensation payable to the Borrower which owns that Ship or a Security Party in the event of requisition of that Ship for hire;

(iii) remuneration for salvage and towage services;

(iv) demurrage and detention moneys;

(v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship; and

(vi) all moneys which are at any time payable under any Insurances relating to that Ship in respect of loss of hire; and

(b) if and whenever that Ship is employed on terms whereby any moneys falling within paragraphs (i) to (vi) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship;

"**Earnings Account**" means, in relation to each Borrower, an account in the name of such Borrower with the Account Bank designated "[*name of relevant Borrower*] - Earnings Account", or any other account (with that or another office of the Account Bank or with a bank or financial institution other than the Account Bank) which is designated by the Agent as such account in relation to that Borrower for the purposes of this Agreement;

"**EBITDA**" means the aggregate amount of combined pre-tax profits of the Group before extraordinary or exceptional items, interest, depreciation and amortisation as shown, at any relevant time, by the Latest Accounts;

"**Environmental Claim**" means:

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

(b) any claim by any other person which relates to an Environmental Incident or to an alleged Environmental Incident,

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

"**Environmental Incident**" means:

(a) any release of Environmentally Sensitive Material from a Ship; or

(b) any incident in which Environmentally Sensitive Material is released from a vessel other than a Ship and which involves a collision between a 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 a Borrower and/or the Approved Manager and/or a Sub Manager 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 otherwise than from a Ship and in connection with which a Ship is actually or potentially liable to be arrested and/or where a Borrower and/or the Approved Manager and/or a Sub Manager 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 law relating to pollution or protection of the environment, to the carriage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material;

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

"**Event of Default**" means any of the events or circumstances described in Clause 19.1 (*Events of Default*);

"**Existing Indebtedness**" means the aggregate outstanding Financial Indebtedness of the Borrowers under the Existing Loan Agreements;

"**Existing Loan Agreements**" means together:

(a) the loan agreement ("**Existing Loan Agreement A**") dated 31 July 2018 (as amended and /or supplemented from time to time) made between (i) Esmeralda and Triangle as joint and several borrowers, (ii) DVB Bank SE as lenders, (iii) DVB Bank SE as agent and security trustee and (iv) DVB Bank SE as account bank in respect of a loan facility of up to $44,000,000; and

(b) the loan agreement ("**Existing Loan Agreement B**") dated 03 December 2018 (as amended and /or supplemented from time to time) made between (i) the Guarantor as borrower, (ii) ABN AMRO Bank NV as lenders, (iii) ABN AMRO Bank NV as agent and security trustee in respect of a loan facility of up to $50,000,000 "**Extended Employment Contract**" means, in respect of a Ship, an Existing Charter (if applicable) and any other time charterparty, contract of affreightment or other contract of employment of such Ship (including the entry of a Ship in any pool) which has a tenor exceeding twelve (12) months (including any options to renew or extend such tenor);

"**Fair Market Value**" means, in relation to a Ship, its market value determined in accordance with Clause 15.3 (*Valuation of Ship*);

"**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 Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph above, the first date from which such payment may become subject to a deduction or withholding required by FATCA;

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

"**FATCA Exempt Party**" means a party to a Finance Document that is entitled to receive payments free from any FATCA Deduction;

"**Finance Documents**" means collectively:

(a) this Agreement;

(b) the Agency and Trust Deed;

(c) the Guarantee;

(d) the General Assignments;

(e) the Mortgages;

(f) the Account Security Deed;

(g) any Charter Assignment;

(h) the Manager's Undertakings;

(i) the Shares Pledges;

(j) any Subordinated Debt Security;

(k) any Subordination Deed;

(l) the Insurances Assignments;

(m) any Reference Rate Supplement;

(n) any Compounding Methodology Supplement; and

(o) any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower or any other person as security for, or to establish any form of subordination or priorities arrangement in relation to, any amount payable to the Creditor Parties under this Agreement or any of the other documents referred to in this definition including, without limitation, any co-assured assignments of Insurances in respect of a Ship and any further undertakings and/or assignments of Insurances in respect of a Ship by any manager or sub manager of a Ship;

(and a "**Finance Document**" means each or, as the context may require, any of them);

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

(a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;

(b) under any loan stock, bond, note or other security issued by the debtor;

(c) under any acceptance credit, guarantee or letter of credit facility or dematerialised equivalent made available to the debtor;

(d) under a financial lease, a deferred purchase consideration arrangement or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;

(e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or

(f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within paragraphs (a) to (e) if the references to the debtor referred to the other person

"**Financial Year**" means, each period of 12 months ending on 31 December other than in the case of the first year which may be such shorter period commencing from the date of incorporation of the relevant company or corporation or limited partnership or such other date as the Majority Lenders may agree (such agreement not to be unreasonably withheld);

"**Funding Rate**" means any individual rate notified by a Lender to the Agent pursuant to sub-paragraph (ii) of paragraph (a) of clause [ ] (*Cost of funds*)

"**General Assignment**" means, in relation to a Ship, a general assignment of its Earnings, Insurances and Requisition Compensation in the Agreed Form (and "**General Assignments**" means all of them collectively);

"**GP Permitted Owners**" means (i) Angeliki Frangou, (ii) each of her spouse, siblings, ancestors, descendants (whether by blood, marriage or 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 (Angeliki Frangou and/or any one of the foregoing called, a "**Person**") and (iii) all Affiliates controlled by a Person;

"**Group**" means at any relevant time the Guarantor and its Subsidiaries;

"**Group Member**" means any member of the Group;

"**Guarantee**" means the guarantee and indemnity to be executed by the Guarantor in favour of the Security Trustee in the Agreed Form;

"**Guarantor**" means Navios Maritime Partners L.P., a limited partnership formed in the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

"**Holding Company**" means, in relation to a company or corporation or limited partnership, any other company or corporation or limited partnership in respect of which it is a Subsidiary;

"**IACS**" means the International Association of Classification Societies;

"**IAPPC**" means, in relation to a Ship, a valid international air pollution prevention certificate for such Ship issued pursuant to the MARPOL Protocol;

"**Indebtedness**" means any obligation howsoever arising (whether present or future, actual or contingent, secured or unsecured as principal, surety or otherwise) for the payment or repayment of money;

"**Insurances**" means, in relation to a Ship:

(a) all policies and contracts of insurance, including entries of that Ship in any protection and indemnity or war risks association, which are effected in respect of that Ship, its Earnings or otherwise in relation to it; and

(b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium;

"**Insurances Assignment**" means, in respect of each Ship, an assignment of its Insurances executed or to be executed by any co-assured (other than the relevant Owner) and/or a Sub Manager in favour of the Security Trustee in such form as the Security Trustee may require in its sole discretion, and in the plural means all of them;

"**Interest Expense**" means, for any relevant financial year, the aggregate interest paid or payable by the Group and any member thereof on any Indebtedness during such period;

"**Interest Payment**" means the aggregate amount of interest that is, or is scheduled to become, payable under any Security Document;

"**Interest Period**" means a period determined in accordance with Clause 6 (*Interest Periods*);

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

"**ISPS Code**" means the International Ship and Port Facility Security Code as adopted by the International Maritime Organisation (as the same may be amended and supplemented from time to time);

"**ISSC**" means a valid and current international ship security certificate issued under the ISPS Code;

"**Latest Accounts**" means, as at the date of calculation or, as the case may be, in respect of an accounting period, the annual audited consolidated financial statements of the Guarantor or the quarterly unaudited consolidated financial statements of the Guarantor, in each case, which the Borrowers are obliged to deliver to the Agent pursuant to Clause 11.6 (*Provisions of financial statements*);

"**Lender**" means, subject to Clause 26.6 (*Lender re-organisation; waiver of Transfer Certificate*):

(a) a bank or financial institution listed in Schedule 1 and acting through its branch indicated in Schedule 1 (or through another branch notified to the Agent under Clause 26.14 (*Change of lending or booking office)*) unless it has delivered a Transfer Certificate or Certificates covering the entire amounts of its Commitment and its Contribution; and

(b) the holder for the time being of a Transfer Certificate;

"**Liquidity**" means:

(a) cash in hand legally and beneficially owned by any Group Member; and

(b) cash deposits legally and beneficially owned by any Group Member and which are deposited with (A) the Account Bank or (B) any other bank or financial institution,

which in each case is at the free and unrestricted disposal of the relevant Group Member by which it is owned including any funds held with any bank from time to time to satisfy minimum liquidity requirements;

"**Loan**" means an amount equal to the lesser of (i) $55,000,000 and (ii) 50% of the aggregate Fair Market Values of all Ships which will be subject to a Mortgage on the Drawdown Date, such Fair Market Values determined in accordance with the provisions contained in Schedule 3, Part C and not earlier than 15 days before the Drawdown Date and which is outstanding for the time being;

"**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 such Ship in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds $500,000 or the equivalent in any other currency;

"**Majority Lenders**" means:

(a) before the Loan has been made available, Lenders whose Commitments total 66.67 per cent. or more of the Total Commitments; and

(b) after the Loan has been made available, Lenders whose Contributions total 66.67 per cent. or more of the Loan;

"**Management Agreement**" means, (a) in respect of Ship A the management agreement dated 7 June 2017 (as amended and/or assigned and/or otherwise up-dated from time to time) made between the Navios Maritime Containers Inc. (on behalf of Borrower A) and the Approved Manager and (b) in respect to Ship B and Ship C a management agreement dated 16 November, 2007 (as amended and/or otherwise up-dated from time to time) made between the Guarantor and the Approved Manager in connection with (inter alia) the Ships, each in such form and substance acceptable to the Agent acting with the authorisation of the Majority Lenders;

"**Manager's Undertaking**" means a letter of undertaking in respect of each Ship from the Approved Manager each in the Agreed Form (and "**Managers Undertakings**" means all of them collectively);

"**Margin**" means two point two five per cent. (2.25%) per annum (as specified in the Reference Rate Terms);

"**Market Disruption Rate**" means the rate (if any) specified as such in the Reference Rate Terms;

"**MARPOL Protocol**" means Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as amended in 1978 and 1997);

"**Maturity Date**" means, the earlier of (i) the date falling 60 months after drawdown of the Loan and (ii) 30 April 2027;

"**Maximum Loan Amount** means the lesser of (a) $55,000,000 and (b) 50% of the aggregate Fair Market Value of the Ships evidenced by the valuations received by the Agent under Clause 9.1 (*Documents, fees and no default*);

"**Minimum Liquidity**" means, at any relevant time, the aggregate amounts required under clause 12.7 of this Agreement to be standing to the credit of the Earnings Accounts;

"**Mortgage**" means, in relation to a Ship, the first preferred mortgage on the Ship under the relevant Approved Flag including, if appropriate, any deed of covenant collateral thereto, in the Agreed Form (and "**Mortgages**" means all of them collectively);

"**Negotiation Period**" has the meaning given in Clause 5.10 (*Negotiation of alternative rate of interest*);

"**Net Debt**" means, as at the date of calculation or, as the case may be, for any accounting period, the total debt of the Group less cash (which shall have the meaning given thereto under US GAAP meaning both restricted and freely available cash) as at that date or for that period as shown in the Latest Accounts;

"**Net Worth**" means, at any relevant time, the Total Assets less Total Liabilities;

"**Notifying Lender**" has the meaning given in Clause 23.1 (*Illegality*) or 24.1 (*Increased Costs*) as the context requires;

"**Owner**" means, in respect of each Ship, the Borrower which is at any relevant time the owner thereof;

"**Payment Currency**" has the meaning given in Clause 21.4 (*Currency indemnity*);

"**Permitted Owners**" means (i) Angeliki Frangou, (ii) each of her spouse, siblings, ancestors, descendants (whether by blood, marriage or 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 (Angeliki Frangou and/or any one of the foregoing called, a "**Person**"), (iii) Navios Maritime Holdings Inc., of the Marshall Islands and (iv) all Affiliates controlled by a Person and/or Navios Maritime Holdings Inc., of the Marshall Islands;

"**Permitted Security Interests**" means:

(a) Security Interests created by the Finance Documents;

(b) liens for unpaid master's and crew's wages in accordance with usual maritime practice;

(c) liens for salvage;

(d) liens arising by operation of law for not more than 2 months' prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;

(e) liens for master's disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 60 days overdue (unless the overdue amount is being contested by the relevant Owner in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to Clauses 14.13(g) (*Restrictions on chartering, appointments of managers etc.*);

(f) any Security Interest created in favour of a plaintiff or defendant in any proceedings or arbitration as security for costs and expenses while the relevant Owner is actively prosecuting or defending such proceedings or arbitration in good faith by appropriate steps;

(g) Security Interests arising by operation of law in respect of taxes which are not overdue for payment or in respect of taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made; and

(h) any right of pledge and/or set off created pursuant to the general banking conditions (*algemene bankvoorwaarden*) of ABN AMRO Bank NV;

"**Pertinent Document**" means:

(a) any Finance Document;

(b) any policy or contract of insurance contemplated by or referred to in Clause 13 (*Insurance*) or any other provision of this Agreement or another Finance Document;

(c) any other document contemplated by or referred to in any Finance Document; and

(d) any document which has been or is at any time sent by or to the Agent or the Security Trustee in contemplation of or in connection with any Finance Document or any policy, contract or document falling within paragraphs (b) or (c);

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

(a) England and Wales;

(b) the country under the laws of which the company is incorporated or formed;

(c) a country in which the company has the centre of its main interests or in which the company's central management and control is or has recently been exercised;

(d) a country in which the overall net income of the company is subject to corporation tax, income tax or any similar tax;

(e) a country in which assets of the company (other than securities issued by, or loans to, related companies) having a substantial value are situated, in which the company maintains a permanent place of business, or in which a Security Interest created by the company must or should be registered in order to ensure its validity or priority; and

(f) a country the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the company or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (b) or (c);

"**Pertinent Matter**" means:

(a) any transaction or matter contemplated by, arising out of, or in connection with a Pertinent Document; or

(b) any statement relating to a Pertinent Document or to a transaction or matter falling within paragraph (a);

and covers any such transaction, matter or statement, whether entered into, arising or made at any time before the signing of this Agreement or on or at any time after that signing;

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

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

"**Reference Banks**" means the branch of ABN AMRO Bank N.V. at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and the London branch of ABN AMRO Bank N.V. or such other banks as may be appointed by the Agent in consultation with the Borrowers;

"**Reference Rate Supplement**" means a document which:

(a) is agreed in writing by the Borrowers and the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority Banks);

(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 Creditor Party

"**Reference Rate Terms**" means the terms set out in Schedule 8 (*Reference Rate Terms*) or in any Reference Rate Supplement;

"**Relevant Market**" means the market specified as such in the Reference Rate Terms

"**Relevant Person**" has the meaning given in Clause 19.9 (Relevant Persons);

"**Repayment Date**" means a date on which a repayment of the Loan is required to be made under Clause 8.1 (Repayment of Loan);

"**Reporting Day**" means the day (if any) specified as such in the Reference Rate Terms;

"**Reporting Time**" means the relevant time (if any) specified as such in the Reference Rate Terms

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

"**Restricted Countries**" means any country or region subject to Sanctions at the relevant time, as notified from time to time to the Borrowers by the Agent, which, as of the date of this Agreement, are Cuba, Iran, North Korea, Sudan, Syria, the region of Crimea;

"**Restricted Person**" means a person that is:

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

(b) located in, incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide Sanctions;

(c) located, domiciled, resident or incorporated in a Restricted Country; or

(d) otherwise a target of Sanctions;

"**Retention Account**" means an account in the joint names of the Borrowers with the Account Bank designated "Esmeralda/Proteus/Triangle - Retention Account", which is designated by the Agent as such account for the purposes of this Agreement;

"**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;

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

(a) the United States government;

(b) the United Nations;

(c) the European Union or any of its Member States including, without limitation, the Netherlands;

(d) the United Kingdom;

(e) any country to which any Security Party or any other member of the Group or any of their Affiliates is bound; or

(f) the respective governmental institutions and agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("OFAC"), the United States Department of State, and Her Majesty's Treasury ("HMT") (together "Sanctions Authorities" and each, "Sanctions Authority");

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

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

"**Security Interest**" means:

(a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind;

(b) the security rights of a plaintiff under an action in rem; and

(c) any arrangement entered into by a person (A) the effect of which is to place another person (B) in a position which is similar, in economic terms, to the position in which B would have been had he held a security interest over an asset of A; but this paragraph (c) does not apply to a right of set off or combination of accounts conferred by the standard terms of business of a bank or financial institution;

"Security Party" means the Borrowers, the Guarantor, the Approved Manager, the Sub Managers, the Shareholder and any other person (except a Creditor Party) who, as a surety or mortgagor, as a party to any subordination or priorities arrangement, or in any similar capacity, executes a document falling within the last paragraph of the definition of "Finance Documents";

"**Security Period**" means the period commencing on the date of this Agreement and ending on the date on which the Agent notifies the Borrowers, the Security Parties and the Lenders that:

(a) all amounts which have become due for payment by the Borrowers or any Security Party under the Finance Documents have been paid;

(b) no amount is owing or has accrued (without yet having become due for payment) under any Finance Document;

(c) neither any Borrower or any Security Party has any future or contingent liability under Clause 20 (Expenses), 21 (Indemnities) or 22 (No set-off or tax deduction) or any other provision of this Agreement or another Finance Document;

"**Security Trustee**" means ABN AMRO Bank N.V., duly incorporated under the laws of Netherlands, having its registered office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands (or of such other address as may last have been notified to the Borrowers) or any successor of it appointed under clause 5 (Appointment of a new Servicing Bank) of the Agency and Trust Deed;

"**Reporting Time**" means the relevant time (if any) specified as such in the Reference Rate Terms;

"**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;

"**Shareholders**" means in respect of (i) Borrower B and Borrower C, Navios Maritime Operating L.L.C., a Marshall Islands limited liability corporation and (ii) Borrower A, Boheme Navigation Company, a Marshall Islands corporation, both incorporated in the Marshall Islands and having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960;

"**Shares Pledge**" means, in relation to each Borrower, a deed creating security in respect of the issued share capital of that Borrower executed or to be executed by the relevant Shareholder in favour of the Security Trustee in the Agreed Form and "**Shares Pledges**" means all of them;

"Ships" means each of the ships described in Schedule 6 (*Ship details*) and "**Ship"** means any of them;

"**SMC**" means a safety management certificate issued in respect of a Ship in accordance with Rule 13 of the ISM Code;

"**Subordinated Creditor**" means any member of the Group who becomes a Subordinated Creditor in accordance with this Agreement.

"**Subordinated Debt Security**" means a Security over Subordinated Liabilities entered into or to be entered into by a Subordinated Creditor in favour of the Security Trustee in an agreed form.

"**Subordinated Liabilities**" means all indebtedness owed or expressed to be owed by a Borrower or the Guarantor to a Subordinated Creditor whether under the Subordinated Finance Documents or otherwise.

"**Subordination Deed**" means a subordination deed entered into or to be entered into by, inter alia, each Subordinated Creditor and the Agent in agreed form;

"**Subsidiary**" has the meaning given in Clause 1.4 (*Meaning of "Subsidiary"*);

"**Total Loss**" means, in relation to a Ship:

(a) actual, constructive, compromised, agreed or arranged total loss of such Ship;

(b) requisition for title or other compulsory acquisition including, if that ship is not released therefrom within the Relevant Period, capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation howsoever for any reason (but excluding

requisition for use or hire) by or on behalf of any government entity or other competent authority or by pirates, hijackers, terrorists or similar persons; "**Relevant Period**" means for the purposes of this definition either (i) ninety (90) days or, (ii) if relevant underwriters confirm in writing (in terms satisfactory to the Agent) prior to the end of such ninety (90) day period that such capture, seizure, detention or confiscation will be fully covered (subject to any applicable deductible) by the relevant Owner's war risks insurance if continuing for a further period exceeding ten (10) calendar months, the shorter of twelve (12) months and such period at the end of which cover is confirmed to attach; and

(c) any arrest, capture, seizure or detention of such Ship (including any hijacking or theft) unless it is within 90 days redelivered to the full control of the Owner owning such Ship;

"**Total Assets**" means, as at the date of calculation or, as the case may be, for any accounting period, the total assets (based on book values) (which shall have the meaning given thereto under US GAAP) of the Guarantor as at that date or for that period as shown in the Latest Accounts.

"**Total Liabilities**" means, as at the date of calculation or, as the case may be, for any accounting period, the total liabilities (which shall have the meaning given thereto under US GAAP) of the Guarantor as at that date or for that period as shown in the Latest Accounts;

"**Total Loss Date**" means, in relation to a Ship:

(a) in the case of an actual loss of such Ship, the date on which it occurred or, if that is unknown, the date when such Ship was last heard of;

(b) in the case of a constructive, compromised, agreed or arranged total loss of such Ship, the earliest of:

(i) the date on which a notice of abandonment is given to the insurers; and

(ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower owning such Ship with such Ship's insurers in which the insurers agree to treat such Ship as a total loss; and

(c) in the case of any other type of total loss, on the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred;

"**Transfer Certificate**" has the meaning given in Clause 26.2 (*Transfer by a Lender*); and

"**Trust Property**" has the meaning given in clause 3.1 (*Definition of "Trust Property"*) of the Agency and Trust Deed; and

"**US GAAP**" means the generally accepted accounting principles applied from time to time in the United States of America.

Words and expressions defined in Schedule 6 (*Ship Details*) when used in this Agreement shall have the meanings given to them in Schedule 6 (*Ship Details*) as if the same were set out in full in this clause 1.1 (*Definitions*).

1.2 Construction of certain terms. In this Agreement:

"**administration notice**" means a notice appointing an administrator, a notice of intended appointment and any other notice which is required by law (generally or in the case concerned) to be filed with the court or given to a person prior to, or in connection with the appointment of an administrator;

"**approved**" means, for the purposes of Clause 13 (*Insurance*), approved in writing by the Agent;

"**asset**" includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

"**company**" includes any partnership, joint venture and unincorporated association;

"**consent**" includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

"**contingent liability**" means a liability which is not certain to arise and/or the amount of which remains unascertained;

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;

"**document**" includes a deed; also a letter or fax;

"**excess risks**" means, in relation to a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of the Ship in consequence of its insured value being less than the value at which the Ship is assessed for the purpose of such claims;

"**expense**" means any kind of cost, charge or expense (including all legal costs, out-of-pocket expenses, charges and expenses) and any applicable value added or other tax;

"**law**" includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

"**legal or administrative action**" means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

"**liability**" includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

"**months**" shall be construed in accordance with Clause 1.3 (*Meaning of "month"*);

"**obligatory insurances**" means, in relation to a Ship, all insurances effected or which the relevant Owner is obliged to effect in respect of each Ship, under Clause 13 (*Insurance*) or any other provision of this Agreement or another Finance Document;

"**parent company**" has the meaning given in Clause 1.4 (*Meaning of "Subsidiary"*);

"**person**" includes any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

"**policy**", in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

"**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association managed in London, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (01/11/02 or 01/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/11/1995 or 1/10/83) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

"**regulation**" includes any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any government entity, central bank or any self-regulatory or other supra-national authority (including, without limitation any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any government entity, central bank or any self-regulatory or other supra-national authority (including, without limitation, any regulation implementing or complying with (1) the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004, in the form existing on the date of this Agreement ("Basel II") and/or (2) Basel III and/or (3) Basel IV and/or (4) any other law or regulation which, at any time and from time to time, implements and/or amends and/or supplements and/or re-enacts and/or supersedes, whether in whole or in part, Basel II and/or Basel III and/or Basel IV (including CRD IV and CRR), and whether such implementation, application or compliance is by any government entity, a lender or any company affiliated to it);

"**tax**" includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine; and

"**war risks**" includes the risk of mines and all risks excluded by clause 29 of the International Hull Clauses (1/11/02) or clause 24 of the Institute Time Clauses (Hulls) (1/11/1995) or clause 23 of the Institute Time Clause (Hulls) (1/10/83).

1.3 **Meaning of "month".** A period of one or more "**months**" ends on the day in the relevant calendar month numerically corresponding to the day of the calendar month on which the period started ("**the numerically corresponding day**"), but:

(a) on the Business Day following the numerically corresponding day if the numerically corresponding day is not a Business Day or, if there is no later Business Day in the same calendar month, on the Business Day preceding the numerically corresponding day; or

(b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day;

and "**month**" and "**monthly**" shall be construed accordingly.

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

1.5 **Cost of funds**. references to 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.

1.6 reference in this Agreement to a page or screen of an information service displaying a rate shall include:

(a) any replacement page of that information service which displays that rate; and

(b) 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 Agent after consultation with the Borrowers;

1.7 reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate;

1.8 any Reference Rate Supplement overrides anything in:

(i) Schedule 8 (*Reference Rate Terms*); or

(ii) any earlier Reference Rate Supplement;

1.9 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) Schedule 9 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 8 (*Cumulative Compounded RFR Rate*), as the case may be; or

(ii) any earlier Compounding Methodology Supplement.

1.10 General Interpretation. In this Agreement:

(a) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;

(b) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise;

(c) words denoting the singular number shall include the plural and vice versa; and

(d) Clauses 1.1 to 1.5 apply unless the contrary intention appears.

1.11 Headings.

In interpreting a Finance Document or any provision of a Finance Document, all clause, sub-clause and other headings in that and any other Finance Document shall be entirely disregarded.

1.12 Bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party 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.

In this clause:

"**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;

"**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;

"**EEA Member Country**" means any member state of the European Union, Iceland, Liechtenstein and Norway.

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

"**Party**" means a party to this Agreement.

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"**UK Bail-In Legislation**" means Part I 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 institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings); and

"**Write-down and Conversion Powers**" means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any other applicable Bail-In Legislation other than UK Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers;

(ii) any similar or analogous powers under that Bail-In Legislation; and

(c) in relation to any 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.

(iii) any similar or analogous powers under that UK Bail-In Legislation.

2 FACILITY

2.1 **Amount of facility.** Subject to the other provisions of this Agreement, the Lenders shall make available to the Borrowers as joint and several borrowers a loan facility in an amount not exceeding the lesser of (i) $55,000,000 and (ii) 50% of the aggregate of the Fair Market Value, determined in accordance with the provisions contained in Schedule 3, Part B and not earlier than 15 days before the Drawdown Date, of the Ships, to be applied to refinance the Existing Indebtedness.

2.2 **Lenders' participations in the Loan.** Subject to the other provisions of this Agreement, each Lender shall participate in the Loan in the proportion which, as at the Drawdown Date, its Commitment bears to the Total Commitments.

2.3 **Purpose of the Loan.** The Borrowers undertake with each Creditor Party to use the Loan only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 **Interests several.** The rights of the Lenders under this Agreement are several.

3.2 **Individual right of action.** Each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Agent, the Security Trustee or any other Lender as additional parties in the proceedings.

3.3 **Proceedings requiring Majority Lender consent.** Except as provided in Clause 3.2 (*Individual right of action*), no Lender may commence proceedings against any Borrower or any Security Party in connection with a Finance Document without the prior consent of the Majority Lenders.

3.4 **Obligations several.** The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

(a) the obligations of the other Lenders being increased; nor

(b) any Borrower, any Security Party, any other Lender being discharged (in whole or in part) from its obligations under any Finance Document;

and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

4 DRAWDOWN

4.1 Request for the Loan. Subject to the following conditions, the Borrowers may request the Loan to be made available by ensuring that the Agent receives a completed Drawdown Notice not later than 11.00 a.m. (Rotterdam time) 3 Business Days prior to the intended Drawdown Date.

4.2 Availability. The conditions referred to in Clause 4.1 (*Request for the Loan*) are that:

(a) the Drawdown Date has to be a Business Day during the Availability Period;

(b) the amount of the Loan shall not exceed the amount set out in Clause 2.1 (*Amount of facility*); and

(c) all applicable conditions precedent set out in Clause 9.1 (*Documents, fees and no default*) shall have been fulfilled.

4.3 Notification to Lenders of receipt of a Drawdown Notice. The Agent shall promptly notify the Lenders that it has received a Drawdown Notice and shall inform each Lender of:

(a) the amount of the Loan and the Drawdown Date;

(b) the amount of that Lender's participation in the Loan; and

(c) the duration of the Interest Period.

4.4 Drawdown Notice irrevocable. A Drawdown Notice must be signed by a director or an authorised signatory of each Borrower; and once served, a Drawdown Notice cannot be revoked without the prior consent of the Agent, acting on the authority of the Majority Lenders.

4.5 Lenders to make available Contributions. Subject to the provisions of this Agreement, each Lender shall, on and with value on the Drawdown Date, make available to the Agent the amount due from that Lender under Clause 2.2 (*Lender's participation in the Loan*).

4.6 Disbursement of the Loan. Subject to the provisions of this Agreement, the Agent shall on the Drawdown Date pay to the Borrowers the amounts which the Agent receives from the Lenders under Clause 4.3 above; and that payment to the Borrowers shall be made:

(a) to the account which the Borrowers specify in the Drawdown Notice; and

(b) in the like funds as the Agent received the payments from the Lenders.

4.7 Disbursement of the Loan to third party. A payment by the Agent under Clause 4.6 (*Disbursement of the Loan*) above shall constitute the making available of the Loan and the Borrowers shall thereupon become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's Contribution.

4.8 Use of proceeds

(a) The Creditor Parties shall have no responsibility for the Borrowers' use of the proceeds of the Loan.

(b) The Borrowers shall not, and shall procure that no Security Party or other Group Member or any affiliate of any of them shall, permit or authorise any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of the Loan or other transactions contemplated by this Agreement to fund or facilitate trade, business or other activities: (i) involving or for the benefit of any Restricted Person; or (ii) in any other manner that could result in any Borrower, any other Security Party or a Creditor Party being in breach of any Sanctions or becoming a Restricted Person.

4.9 **Cancellation.** If any part of the Commitment has not been drawn down under this Agreement at the end of the Availability Period, such undrawn portion shall, on the day following the last day of the applicable Availability Period, be permanently and irrevocably cancelled; it is hereby agreed that any undrawn portion of any part of the Total Commitments at the end of the Availability Period shall, on the day following the last day of the Availability Period, be permanently and irrevocably cancelled.

5 INTEREST

5.1 **Payment of normal interest.** Subject to the provisions of this Agreement, interest on the Loan shall be paid by the Borrowers on the last day of each Interest Period.

5.2 **Normal rate of interest.** Subject to the provisions of this Agreement, the rate of interest on the Loan in respect of an Interest Period shall be the aggregate of (a) the Margin and (b) the Daily Non-Cumulative Compounded RFR Rate for that day.

5.3 **Payment of accrued interest.** In the case of an Interest Period of longer than 3 months, accrued interest shall be paid every 3 months during that Interest Period and on the last day of that Interest Period.

5.4 **RFR Banking Day**. 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.

5.5 **Notifications**

(a) The Agent shall promptly upon an Interest Payment being determinable, 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 clause 5.5(a) shall not apply to any Interest Payment determined pursuant to clause 5.8 (*Cost of funds*).

(b) The Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan.

(c) The 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 3.6.3 (Cost of funds) applies.

(d) This clause 5.5 shall not require the Agent to make any notification to any Party on a day which is not a Banking Day.

5.6 Changes to calculation of Interest

5.6.1 Interest calculation if no RFR or Central Bank Rate

If:

(i) 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

(ii) "Cost of funds will apply as a fallback" is specified in the Reference Rate Terms,

Clause 5.7 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for that Interest Period.

5.6.2 Market disruption

If:

(i) a Market Disruption Rate is specified in the Reference Rate Terms; and

(ii) before the Reporting Time for the Loan or any part of the Loan, the Agent receives notifications from a Bank or Banks (whose participations in the Loan or the relevant part of the Loan exceed 50 per cent. of the Loan or 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 5.7 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

5.7 Cost of funds

(a) If this Clause 5.7 (*Cost of funds*) applies to the Loan or part of the Loan for an Interest Period, clause 3.1 (Normal rate of interest) shall not apply to the Loan or that part of the Loan for that Interest Period and the rate of interest on each Lender's share of 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 rate notified to the Agent by that 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 5.7 (*Cost of funds*) applies and the Agent or the Borrowers so require, the 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) If paragraph (e) below does not apply and any rate notified to the Agent under sub-paragraph (ii) of paragraph (a) above is less than zero, the relevant rate shall be deemed to be zero.

(d) If this clause 5.7 (*Cost of funds*) applies pursuant to clause 5.6 (Market disruption) and:

(i) a Lender's Funding Rate is less than the relevant Market Disruption Rate; or

(ii) a Lender does not supply a quotation notify a rate to the Agent by the time specified in sub-paragraph (ii) of paragraph (a) above,

the cost to 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.

(e) If this clause 5.7 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 quotations of rates notified by the remaining Banks.

(f) If this clause 5.7 applies, the Agent shall, as soon as is practicable, notify the Borrowers.

5.8 Break Costs

(a) If an amount is specified as Break Costs in the Reference Rate Terms, the Borrowers shall, within three Banking Days of demand by a Creditor Party, pay to that Creditor Party its Break Costs (if any) attributable to all or any part of the Loan being paid by the Borrowers on a day before the last day of an Interest Period for the Loan, the relevant part of the Loan.

(b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

6 INTEREST PERIODS

6.1 Interest Periods. The first Interest Period applicable to the Loan shall commence on the Drawdown Date and each subsequent Interest Period shall commence on the expiry of the preceding Interest Period and each Interest Period shall be any period specified in the Reference Rate Terms **provided** that in respect of an amount due to be repaid under Clause 8.1 (*Repayment of Loan*) on a particular Repayment Date, an Interest Period relating to the Loan shall end on that Repayment Date.

6.2 Subsequent Interest Periods. Every Interest Period shall be of the duration required by, or specified by the Borrowers pursuant to, clause 6.1 but so that the first Interest Period shall commence on the Drawdown Date and each subsequent Interest Period shall commence on the last day of the previous Interest Period, provided that no Interest Period shall be longer than six Months.

6.3 Failure to specify Interest Period. If the Borrowers fail to specify the duration of an Interest Period in accordance with the provisions of clause 3.2 and this clause 3.3 such Interest Period shall have the duration ~~of~~ specified in the Reference Rate Terms.

7 DEFAULT INTEREST

7.1 Payment of default interest on overdue amounts. The Borrowers shall pay interest in accordance with the following provisions of this Clause 7 on any amount payable by the Borrowers under any Finance Document which the Agent, the Security Trustee or the other designated payee does not receive on or before the relevant date, that is:

(a) the date on which the Finance Documents provide that such amount is due for payment; or

(b) if a Finance Document provides that such amount is payable on demand, the date on which the demand is served; or

(c) if such amount has become immediately due and payable under Clause 19.4 (*Acceleration of liabilities*), the date on which it became immediately due and payable.

7.2 Default rate of interest. Interest shall accrue on an overdue amount from (and including) the relevant date until the date of actual payment (as well after as before judgment) at the rate per annum determined by the Agent to be 2 per cent. above:

(a) in the case of an overdue amount of principal, the higher of the rates set out at Clauses 7.3(a) and (b); or

(b) in the case of any other overdue amount, the rate set out at Clause 7.3(b) (*Calculation of default rate of interest*).

7.3 Calculation of default rate of interest. The rates referred to in Clause 7.2 *(Default rate of interest)* above are:

(a) the rate applicable to the overdue principal amount immediately prior to the relevant date (but only for any unexpired part of any then current Interest Period applicable to it);

(b) the rate which would have been payable if the overdue sum had, during the period of non-payment, constituted part of the Loan in the currency of the overdue sum for successive Interest Periods.

7.4 Notification of interest periods and default rates. The Agent shall promptly notify the Lenders and the Borrowers of each interest rate determined by the Agent under Clause 7.3 *(Calculation of default rate of interest)* above and of each period selected by the Agent for the purposes of paragraph (b) of that Clause; but this shall not be taken to imply that the Borrowers are liable to pay such interest only with effect from the date of the Agent's notification.

7.5 Payment of accrued default interest. Subject to the other provisions of this Agreement, any interest due under this Clause shall be paid on the last day of the period by reference to which it was determined; and the payment shall be made to the Agent for the account of the Creditor Party to which the overdue amount is due.

7.6 Compounding of default interest. Any such interest which is not paid at the end of the period by reference to which it was determined shall thereupon be compounded.

7.7 Changes of Reference Rates.

(a) If an RFR Rate 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) any or all of the following:

(A) aligning any provision of any Security 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 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 Agent (acting on the instructions of the Majority Banks) and the Borrowers).

(c) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above or (b) above within ten Banking Days (or such longer time period in relation to any request which the Borrowers and the Agent may agree) of that request being made:

(i) its Commitment (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 7.7 (*Changes to reference rates*):

"**RFR Replacement Event"** means:

(i) the methodology, formula or other means of determining the RFR has , in the opinion of the Majority Banks, and the Borrowers materially changed;

(ii)

(A)

(aa) the administrator of the RFR or its supervisor publicly announces that such administrator is insolvent; or

(bb) 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;

(B) 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;

(C) the supervisor of the administrator of the RFR publicly announces that the RFR has been or will be permanently or indefinitely discontinued; or

(D) the administrator of the RFR or its supervisor announces that the RFR may no longer be used; or

(iii) 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:

(A) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Banks and the Borrowers) temporary; or

(B) 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

(iv) 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 Banks 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 Banks and the Borrowers, an appropriate successor or alternative to the RFR.

8 REPAYMENT AND PREPAYMENT

8.1 **Repayment of Loan**. The Borrowers shall repay the Loan by:

(a) twenty (20) consecutive quarterly instalments, each in an amount equal to $1,700,000; and

(b) a balloon instalment in an amount of $21,000,000.

8.2 **Repayment Dates.** The first instalment shall be repaid on the date falling three (3) months after the Drawdown Date and the balloon instalment shall be repaid on the Maturity Date.

8.3 **Final Repayment Date.** On the final Repayment Date, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 **Voluntary prepayment.** Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period.

8.5 **Conditions for voluntary prepayment.** The conditions referred to in Clause 8.4 are that:

(a) a partial prepayment shall be in an amount of $500,000 or a higher integral multiple of $500,000;

(b) the Agent has received from the Borrowers at least 10 Business Days' prior written notice specifying the date on which the prepayment is to be made;

(c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by any Borrower or any Security Party in connection with the prepayment has been obtained and remains in force, and that any requirement relevant to this Agreement which affects the Borrowers or any Security Party has been complied with; and

(d) the amount of the instalment by which the Loan shall be prepaid, including the balloon instalment, under Clause 8.1(*Repayment of Loan*) on any such scheduled repayment dates (as reduced by any earlier operation of this Clause 8.5, Clause 8.13 *(Conditions of cancellation of Commitments)* and Clause 8.16 (*Adjustments of scheduled repayments*)) shall be reduced in inverse order of maturity, in order of maturity or pro rata at the Borrowers' option.

8.6 **Effect of notice of prepayment.** A prepayment notice may not be withdrawn or amended without the consent of the Agent, given with the authorisation of the Majority Lenders, and the amount specified in the prepayment notice shall become due and payable by the Borrowers on the date for prepayment specified in the prepayment notice.

8.7 **Notification of notice of prepayment.** The Agent shall notify the Lenders promptly upon receiving a prepayment notice, and shall provide any Lender which so requests with a copy of any document delivered by the Borrowers under Clause 8.5(c) (*Conditions for voluntary prepayment*).

8.8 **Mandatory prepayment.** The Borrowers shall be obliged to prepay the portion of the Loan specified in Clause 8.9 (*Amounts of mandatory prepayments*):

(a) if a Ship is sold or refinanced by any bank or financial institution, on or before the date on which the sale is completed by delivery of such Ship to the relevant buyer or the funds under the refinancing arrangement are drawn down respectively; or

(b) if, after delivery (if applicable), a Ship becomes a Total Loss, on the earlier of the date falling 120 days (or such longer period as the Agent, acting on the instructions of the Majority Lenders, may agree (such consent not to be unreasonably withheld)) after the Total Loss Date and the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss.

8.9 **Amounts of mandatory prepayments.** The amount of the Loan to be prepaid in the circumstances contemplated in Clause 8.8 *(Mandatory prepayment)* above is the greatest of:

(a) the amount of the sale or Total Loss proceeds payable in respect of such sale or Total Loss or the amount which is being prepaid due to the refinancing of any part of the Loan by any bank or financial institution;

(b) an amount that, if the ratio set out in Clause 15.1 (*Minimum required security cover*) were applied immediately following the making of such prepayment, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and

(c) an amount so that if the ratio of (i) the aggregate of the Fair Market Value (determined as provided in Clause 15.3 (*Valuation of a Ship*)) of the Ships plus the net realisable value of any additional security previously provided under Clause 15 (*Security cover*) to (ii) the Loan is the same after such prepayment is made as it was before such prepayment is made

8.10 **Mandatory prepayment – Loan**. The Borrowers shall be obliged to prepay the whole Loan, and any undrawn part of the Total Commitment shall be cancelled upon:

(a) the circumstances referred to in Clause 23 (*Illegality etc*) arising, and in accordance with that Clause; or

(b) there occurs any Change of Control.

8.11 **Amounts payable on prepayment.** A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 (*Indemnities*) or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period applicable thereto, together with any sums payable under Clause 21.1(c) *(Indemnities)* but without premium or penalty.

8.12 **Voluntary cancellation of Commitments.** Subject to the following conditions, the Borrowers may cancel the whole or any part of the Total Commitment.

8.13 **Conditions for cancellation of Commitments.** The conditions referred to in Clause 8.12 *(Voluntary cancellation of Commitments)* above are that:

(a) a partial cancellation shall be $500,000 or a higher integral multiple of $500,000;

(b) the Agent has received from the Borrowers at least 10 Business Days' prior written notice specifying the amount of the Total Commitments to be cancelled and the date on which the cancellation is to take effect; and

(c) the amount of the instalment by which the Loan shall be repaid, including the balloon instalment, under Clause 8.1 (*Repayment of Loan*) on any such scheduled repayment dates (as reduced by any earlier operation of this Clause 8.12, Clause 8.4 *(Conditions for voluntary prepayment)* and Clause 8.15 (*Adjustments of scheduled repayments*)) shall be reduced in inverse order of maturity, in order of maturity or pro rata at the Borrowers' option.

8.14 **Effect of notice of cancellation.** The service of a cancellation notice given under Clause 8.13(b) *(Conditions for cancellation of Commitments)* shall cause the amount of the Total Commitments specified in the notice to be permanently cancelled, following which the Commitment of each Lender shall be reduced pro rata.

8.15 **No re-borrowing.** No amount prepaid or cancelled under Clauses 8.4 (V*oluntary prepayment*), 8.8 (*Mandatory prepayment*) and 8.12 (*Voluntary cancellation of Commitments*) may be re-borrowed.

8.16 **Adjustment of scheduled repayments.** If the Total Commitment has been partially reduced or cancelled under this Agreement and/or any part of the Loan is prepaid (other than under Clause 8.1 (*Repayment of Loan*), Clause 8.4 (*Voluntary prepayment*) and Clause 8.12 (*Voluntary cancellation of Commitments*)) before any scheduled repayment date and/or the aggregate amount advanced to the Borrowers is less than the Maximum Loan Amount, the amount of the instalment by which the Loan shall be repaid, including the balloon instalment, under Clause 8.1 (*Repayment of Loan*) on any such scheduled repayment dates (as reduced by any earlier operation of this Clause 8.16) shall be reduced pro rata unless the Agent agrees otherwise in writing.

9 CONDITIONS PRECEDENT

9.1 **Documents, fees and no default.** Each Lender's obligation to contribute to the Loan is subject to the following conditions precedent:

(a) that on or before the date of service of the Drawdown Notice, the Agent receives the documents described in Part A of Schedule 3 in form and substance satisfactory to the Agent and its lawyers;

(b) that, on or before the Drawdown Date, but prior to the making available of the Loan, the Agent receives the documents described in Part B of Schedule 3 in form and substance satisfactory to it and its lawyers;

(c) that, on or before the Drawdown Date, the Agent receives any fees and expenses that are due and payable under Clause 20 (*Expenses*);

(d) that both at the date of the Drawdown Notice and at the Drawdown Date:

(i) no Event of Default or Potential Event of Default has occurred and is continuing or would result from the borrowing of the Loan;

(ii) the representations and warranties in Clause 10 *(Representations and Warranties)* and those of the Borrowers or any Security Party which are set out in the other Finance Documents would be true and not misleading if repeated on each of those dates with reference to the circumstances then existing; and

(iii) none of the circumstances contemplated by Clause 5.7 (*Market disruption)* has occurred and is continuing;

(e) that, if the ratio set out in Clause 15.1 (*Minimum required security cover)* were applied immediately following the advance of the Loan, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and

(f) that the Agent has received, and found to be acceptable to it, any further opinions, consents, agreements and documents in connection with the Finance Documents which the Agent may, with the authorisation of the Majority Lenders, request by notice to the Borrowers prior to the Drawdown Date

9.2 **Waiver of conditions precedent**. If the Majority Lenders, at their discretion, permit the Loan to be borrowed before certain of the conditions referred to in Clause 9.1 *(Documents, fees and no default)* are satisfied, the Borrowers undertake to ensure that such conditions are satisfied within such period and on such terms as the Agent may specify in writing.

9.3 **Conditions Subsequent.** The Borrowers undertake to deliver or to cause to be delivered to the Agent on, or as soon as practicable after, the Drawdown Date the additional documents and other evidence listed in Part D (*Conditions Subsequent)* of Schedule 3.

10 REPRESENTATIONS AND WARRANTIES

10.1 **General.** The Borrowers jointly and severally represent and warrant to each Creditor Party as follows.

10.2 **Status**.

(a) each Borrower is duly incorporated and validly existing under the laws of the Republic of Marshall Islands; and

(b) the Guarantor is duly formed and validly existing under the laws of the Republic of the Marshall Islands as a limited partnership.

10.3 **Share capital and ownership.** The legal title and ownership of all the issued shares in each Borrower is held by the relevant Shareholder and the ultimate beneficial ownership of all the issued shares in each Borrower is held by the Guarantor, free of any Security Interest or other claim other than any Permitted Security Interests.

10.4 **Corporate power.** Each Borrower and each Security Party has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it:

(a) to execute the Finance Documents to which a Borrower and/or the relevant Security Party is a party; and

(b) in the case of each Borrower, to make all the payments contemplated by, and to comply with, the Finance Documents to which it is a party.

10.5 **Consents in force.** All the consents referred to in Clause 10.4 *(Corporate power)* above remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 **Legal validity; effective Security Interests.** The Finance Documents to which a Borrower or a Security Party is a party, do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):

(a) constitute that Borrower's or that Security Party's legal, valid and binding obligations enforceable against that Borrower or that Security Party in accordance with their respective terms; and

(b) create legal, valid and binding Security Interests enforceable in accordance with their respective terms over all the assets to which they, by their terms, relate;

subject to any relevant insolvency laws affecting creditors' rights generally.

10.7 **No third party Security Interests.** Without limiting the generality of Clause 10.6 *(Legal validity; effective Security Interests)*, at the time of the execution and delivery of each Finance Document:

(a) the relevant Borrower or the relevant Security Party which is party to that Finance Document will have the right to create all the Security Interests which that Finance Document purports to create; and

(b) no third party will have any Security Interest (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates.

10.8 No conflicts. The execution by each Borrower and each Security Party of each Finance Document to which it is a party and (in the case of the Borrowers, the Approved Manager and the Sub Managers) the relevant Management Agreements, and the borrowing by the Borrowers of the Loan and each Security Party's compliance with each Finance Document to which it is a party will not involve or lead to a contravention of:

(a) any law or regulation; or

(b) the constitutional documents of any Borrower or any Security Party; or

(c) any contractual or other obligation or restriction which is binding on any Borrower or any of the assets of any Borrower and the Security Parties.

10.9 No withholding taxes. All payments which any Borrower or any Security Party is liable to make under the Finance Documents to which it is a party may be made without deduction or withholding for or on account of any tax payable under any law of any Pertinent Jurisdiction.

10.10 No default. No Event of Default or Potential Event of Default has occurred and is continuing.

10.11 Information. All information which has been provided in writing by or on behalf of any Borrower or any Security Party to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5 (*Information provided to be accurate*); all audited and unaudited accounts which have been so provided satisfied the requirements of Clause 11.7 (*Form of financial statements*); and there has been no material adverse change in the financial position or state of affairs of any Borrower or any Security Party from that disclosed in the latest of those accounts.

10.12 No litigation. No legal or administrative action involving any Borrower or any Security Party (including action relating to any alleged or actual breach of the ISM Code, the ISPS Code or the MARPOL Protocol) has been commenced or taken or, to the Borrowers' knowledge, is likely to be commenced or taken which, in either case, would be likely to have a material adverse effect on that Borrower's or that Security Party's financial position or profitability.

10.13 Validity and completeness of documents. Each relevant Management Agreement constitutes valid, binding and enforceable obligations of the relevant Borrower, the Approved Manager and the Sub Managers in accordance with its terms and:

(a) the copy of each Management Agreement delivered to the Agent before the date of this Agreement is a true and complete copy; and

(b) no amendments or additions to any Management Agreement have been agreed nor has the relevant Borrower, Approved Manager or Sub Manager waived any of their respective rights under any of the Management Agreements.

10.14 Compliance with certain undertakings. At the date of this Agreement, each Borrower and each of the Security Parties are in compliance with Clauses 11.2 *(Title; negative pledge)*, 11.4 *(No other liabilities or obligations to be incurred)*, 11.5 *(Information provided to be accurate)*, 11.9 *(Consents)*, 11.13 *(Principal place of business)*, 11.14 *(Confirmation of no default)* and 11.15 *(Notification of Default)*.

10.15 Taxes paid. Each Borrower and each Security Party have paid all taxes applicable to, or imposed on or in relation to that Borrower, that Security Party, its business or the Ships.

10.16 **Compliance.** All requirements of the ISM Code, the ISPS Code and the MARPOL Protocol as they relate to a Borrower, the Approved Manager, the Sub Managers and each other Security Party and the Ships have been complied with.

10.17 **No money laundering**. Without prejudice to the generality of Clause 2.2 (*Purpose of the Loan*), in relation to the borrowing by the Borrowers of the Loan, the performance and discharge of its obligations and liabilities under the Finance Documents, and the transactions and other arrangements effected or contemplated by the Finance Documents to which a Borrower is a party, each Borrower confirms (i) that it is acting for its own account, (ii) that it will use the proceeds of the Loan for its own benefit, under its full responsibility and exclusively for the purposes specified in this Agreement and (iii) that 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" (as defined in Article 1 of the Directive 2015/849/EC of the Council of the European Communities).

10.18 **No immunity.** No Borrower or Security Party benefits from any immunity from suit.

10.19 **Disclosure of material facts.** No Borrower is aware of any material facts or circumstances which have not already been disclosed to the Agent and which might, if disclosed to the Agent, adversely affect the decision of the Lenders to make the Loan available to the Borrowers.

10.20 **Pari Passu.** The obligations of each Borrower under the Finance Documents to which it is a party rank at least pari passu with all other unsecured indebtedness of that Borrower, other than indebtedness mandatorily preferred by law.

10.21 **Governing law and enforcement**. The choice of law as the governing law of any Finance Document will be recognised and enforced in the jurisdiction of incorporation of each Borrower and each relevant Security Party, and any judgment obtained in England in relation to any such Finance Document will be recognised and enforced in the jurisdiction of incorporation of the relevant Borrower and the relevant Security Party.

10.22 **No filing or stamp tax**. Under the laws of all Pertinent Jurisdiction relating to the relevant Borrower and each relevant Security Party it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction (save for the Mortgages which are to be recorded in accordance with the requirements of the relevant Approved Flag State registry) or that any stamp, registration or similar tax be paid on or in relation the Finance Documents or the transactions contemplated by the Finance Documents.

10.23 **Sanctions. N**o Security Party nor other Group Member nor any director, officer, agent, employee of any Security Party or other Group Member or any person acting on behalf of any Security Party or other Group Member, is a Restricted Person nor acts directly or indirectly on behalf of a Restricted Person.

10.24 **Repetition.** Each representation and warranty in this Clause 10 *(Representations and Warranties)* (other than this Clause 10.24) is deemed to be repeated by the Borrowers by reference to the facts and circumstances then existing on each date during the Security Period.

11 GENERAL UNDERTAKINGS

11.1 **General.** Each Borrower undertakes with each Creditor Party to comply and shall procure that the Guarantor shall also comply (as applicable), with the following provisions of this Clause 11 at all times during the Security Period, except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit.

11.2 Title; negative pledge. Each Borrower shall:

(a) hold the legal title to and the entire beneficial interest in the Ship owned by it, such Ship's Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents and except for Permitted Security Interests;

(b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any asset which is the subject matter of a Finance Document or over any of its shares;

(c) not create or permit to arise, any Security Interest (except for Permitted Security Interests) over any other asset, present or future; and

(d) procure that its liabilities under the Finance Documents to which it is a party do and will rank at least pari passu with all its other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.3 No disposal of assets. No Borrower shall transfer, lease or otherwise dispose of:

(a) all or a substantial part of its respective assets, whether by one transaction or a number of transactions, whether related or not; or

(b) any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation,

but paragraph (a) does not apply to any charter of a Ship to which Clause 14.3 *(Repair and classification)* applies.

11.4 No other liabilities or obligations to be incurred. No Borrower shall incur any liability or obligation except liabilities and obligations:

(a) under the Finance Documents to which it is a party;

(b) reasonably incurred in the ordinary course of a Borrower's business of owning, operating, managing and/or chartering of ships and other ship-related business; and

(c) incurred in relation to or in connection with, the financing of ships owned or to be acquired by, members of the Group.

11.5 Information provided to be accurate. All financial and other information which is provided in writing by or on behalf of the Borrowers under or in connection with any Finance Document will be true and not misleading and will not omit any material fact or consideration.

11.6 Provision of financial statements. The Borrowers will provide the Agent or shall procure that the Agent is provided with:

(a) as soon as possible, but in no event later than 180 days after the end of each Financial Year, annual audited (prepared in accordance with US GAAP by a firm of accountants acceptable to the Agent) consolidated balance sheet and profit and loss accounts of the Guarantor (commencing with the Financial Year ending 31 December 2022), together with updated details (in a form acceptable to the Agent) of all off-balance sheet and time-charter hire commitments of each of the Ships and any other ship from time to time (whether before or after the date of this Agreement) owned, managed or crewed by, or chartered to, any Group Member;

(b) as soon as possible, but in no event later than 90 days after the end of each three month accounting period, commencing with the first financial quarter ending 30 June 2022, the Guarantor's unaudited consolidated balance sheet and profit and loss accounts for that 3 month period certified as to their correctness by its chief financial officer; and

(c) such further financial information about the Borrowers, the Guarantor, the Ships (including, but not limited to, present and future revenues, charter arrangements, Financial Indebtedness, employment details, operating expenses and projected capital expenditure) as the Agent may require.

11.7 Form of financial statements. All accounts (audited and unaudited) delivered under Clause 11.6 *(Provision of financial statements)* above will:

(a) be prepared in accordance with all applicable laws and US GAAP;

(b) fairly represent the state of affairs of the Group at the date of those financial statements and of its profit for the period to which those financial statements relate; and

(c) fully disclose or provide for all significant liabilities of the Group.

11.8 Shareholder notices. The Borrowers shall procure that the Guarantor will send to the Agent, at the same time as they are despatched, copies of all material communications which are despatched to the Guarantor's shareholders or any class of them related to matters which could be considered material in the context of this Agreement and the other Finance Documents, unless publicly announced or filed with a securities exchange.

11.9 Consents. The Borrowers will, and shall procure that each Security Party will, maintain in force and promptly obtain or renew, and will promptly send certified copies to the Agent of, all consents required:

(a) for the Borrowers and each Security Party to perform its obligations under any Finance Document to which it is a party;

(b) for the Approved Manager and each Sub Manager to perform its obligations under the relevant Management Agreements;

(c) for the validity or enforceability of any Finance Document to which it is a party;

(d) for each Borrower, register under the relevant Approved Flag, own and operate the Ship to be owned by it; and

(e) for the Guarantor, the Approved Manager and each Sub Manager each to perform its obligations under the relevant Management Agreement,

and each Borrower will, and shall procure that the Security Parties shall, comply with the terms of all such consents.

11.10 Maintenance of Security Interests. The Borrowers will:

(a) at their own cost, do all that it reasonably can to ensure that each Finance Document validly creates the obligations and the Security Interests which it purports to create; and

(b) without limiting the generality of paragraph (a), at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar tax in all Pertinent Jurisdictions in respect of any Finance Document and give any notice or take any other step which to the best of its knowledge is or has become, or which, in the opinion of the Majority Lenders, is or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which any Finance Document creates.

11.11 Notification of litigation. The Borrowers will provide the Agent with details of any legal or administrative action involving a Borrower, the Guarantor, the Approved Manager, a Sub

Manager and any other Security Party (to the best of its knowledge), any Ship, any Management Agreement, the Earnings or the Insurances as soon as such action is instituted or it becomes apparent to the Borrowers that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document.

11.12 Amendments to Management Agreements. The Borrowers will ensure that neither the relevant Owner nor the Guarantor or the Approved Manager or a Sub Manager will, without the prior written consent of the Agent acting on the instructions of the Majority Lenders (such consent not to be unreasonably withheld), agree to any material amendment or supplement to, or waive any breach in relation to, the Management Agreements.

11.13 Principal place of business. Each Borrower will maintain its place of business, and keep its corporate documents and records at the address stated in the definitions to this Agreement; and it will not establish, or do anything as a result of which it would be deemed to have, a place of business in any country other than the Republic of Marshall Islands.

11.14 Confirmation of no default. The Borrowers will, within 2 Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by a duly authorised director of the Guarantor and which states that no Event of Default or Potential Event of Default has occurred.

The Agent may serve requests under this Clause 11.14 from time to time but only if asked to do so by a Lender or Lenders having Commitments exceeding 10 per cent of the Total Commitments; and this Clause 11.14 does not affect the Borrowers' obligations under Clause 11.15 *(Notification of default)*.

11.15 Notification of default. The Borrowers will notify the Agent as soon as it becomes aware of the occurrence of an Event of Default or a Potential Event of Default and will keep the Agent fully up-to-date with all developments.

11.16 Provision of further information. The Borrowers will, as soon as practicable after receiving the request, provide the Agent with any additional financial or other information relating:

(a) to it, the Security Parties, the Ships, the Earnings or the Insurances; or

(b) to any other matter relevant to, or to any provision of, a Finance Document or a Management Agreement;

which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.17 Provision of copies and translation of documents. The Borrowers will supply the Agent with a sufficient number of copies of the documents referred to above to provide a copy for each Creditor Party and, if the Agent so requires in respect of any of those documents, it will provide a certified English translation prepared by a translator approved by the Agent.

11.18 Sanctions. Promptly upon becoming aware of them, provide to the Agent the details of any inquiry, claim, action, suit, proceeding or investigation pursuant to Sanctions by any Sanctions Authority against a Security Party, any of the direct or indirect owners of a Security Party, any Affiliate of a Security Party, any of their joint ventures or any of their respective directors, officers, employees, agents or representatives, as well as information on what steps are being taken with regards to answer or oppose the same.

11.19 Money laundering. Promptly upon the Agent's request, the Borrowers will supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent in order for each Creditor Party to carry out and be satisfied with the results of all necessary "know your client" or other checks which it is required to carry out in relation to the transactions contemplated by the Finance Documents and to the identity of any parties to the Finance Documents (other than Creditor Parties) and their directors and officers.

11.20 "Know your customer" checks. If:

(a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

(b) any change in the status of a Borrower or any Security Party after the date of this Agreement; or

(c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement; or

(d) any anti-money laundering or anti-terrorism financing laws and regulations applicable to the Agent or any Lender

obliges the Agent or any Lender (or, in the case of paragraph (c), any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or the Lender concerned supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (c), on behalf of any new prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (c), any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

11.21 Class records

The Borrowers shall arrange for the Agent to have access electronically to the class records of each Ship by either (i) arranging for the relevant classification society to give the Agent direct access to such class records or (ii) designating the Agent as a user or administrator of the Borrowers' electronic accounts with the relevant classification society.

11.22 Insurance opinion

The Borrowers shall provide the Agent on request, at the Borrowers' cost, with an opinion from insurance consultants on the insurances effected or to be effected in respect of each Ship, confirming that each Ship is insured on terms approved by the Agent or, if such insurance opinion has been obtained by the Agent, shall reimburse the Agent for the cost of such opinion.

11.23 Sanctions

The Borrowers shall:

(a) not be, and shall procure that each other Group Member and each Affiliate of any of them and any director, officer, agent, employee or person acting on behalf of the foregoing is not, a Restricted Person and does not act directly or indirectly on behalf of a Restricted Person;

(b) not, and shall procure that no other Group Member or any Affiliate of any of them shall, use any revenue or benefit derived from any activity or dealing with a Restricted Person in discharging any obligation due or owing to the Creditor Parties;

(c) procure that no proceeds from any activity or dealing with a Restricted Person are credited to any bank account held with any Creditor Party in its name or in the name of any other member of the Group or any Affiliate of any of them;

(d) and shall procure that each other Group Member and any Affiliate of any of them will, to the extent permitted by law, promptly upon becoming aware of them, supply to the Creditor Parties details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority; and

(e) not, and shall procure that no other member of the Group or any Affiliate of any of them will, directly or indirectly, make available any proceeds of the Loan to fund or facilitate trade, business or other activities (i) involving or for the benefit of any Restricted Person or (ii) in any other manner that could result in either a Borrower or a Creditor Party being in breach of any Sanctions or becoming a Restricted Person, or permit or authorise any other person to do either of (i) or (ii) above.

11.24 Anti-bribery

The Borrowers shall ensure that neither they nor any of their respective Affiliates, officers, directors, employees or agents acting on its behalf will offer, give, insist on, receive or solicit any illegal payment or improper advantage to influence the action of any person in connection with any of its business.

11.25 Subordination of claims

The Borrowers shall procure that all claims of any Subordinated Creditor against the any Borrower or the Guarantor are fully subordinated by such Subordinated Creditor to the rights of the Creditor Parties under the Finance Documents on terms of a Subordination Deed.

11.26 Money Laundering

The Borrowers shall:

(a) provide the Agent with information, certificates and any documents required by the Agent to ensure compliance with any law, official requirement or other regulatory measure or procedure implemented to combat money laundering; and

(b) notify the Agent 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 or that the person(s) who have or will receive the commercial benefit of this Agreement have changed after the date of this Agreement.

12 CORPORATE UNDERTAKINGS

12.1 General. The Borrowers undertake with each Creditor Party to comply and shall procure that the Guarantor will also comply (as applicable) with the following provisions of this Clause 12 at all times during the Security Period except as the Agent may, with the authorisation of the Majority Lenders, otherwise consent.

12.2 Maintenance of status. Each Borrower will maintain and shall procure that the Guarantor will also maintain its separate corporate existence under the laws of the Republic of Marshall Islands.

12.3 Negative undertakings. Each Borrower shall not, and in respect of (b) to (d) below shall procure that the Guarantor will not:

(a) carry on any business other than the owning, operating, managing and/or chartering of ships and other ship-related business;

(b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital unless no Event of Default or Potential Event of Default has occurred or would occur as a result of such dividend, distribution, redemption, purchase or return;

(c) provide any form of credit or financial assistance to:

(d) a person who is directly or indirectly interested in the Guarantor's share or loan capital; or

(e) any company in or with which such a person is directly or indirectly interested or connected;

or enter into any transaction with or involving such a person or company on terms which are, in any respect, less favourable to the Borrowers than those which it could obtain in a bargain made at arms' length;

(a) without the prior written consent of the Agent, acting on the instructions of the Majority Lenders (such consent not to be unreasonably withheld), enter into any form of amalgamation, merger or de-merger, name change or any form of reconstruction or reorganisation, which would (in the case of the Borrowers) give rise to a Change of Control; and

(b) in relation to the Earnings of the Ship owned by it, open or maintain any account with any bank or financial institution except accounts with the Account Bank, the Agent or the Security Trustee for the purposes of the Finance Documents.

12.4 Financial covenants of the Guarantor. At all times during the Security Period, by reference to the Latest Accounts, the Borrowers shall procure that the Guarantor shall ensure that:

(a) at no time shall the Liquidity of the Group be less than $500,000 multiplied by the aggregate number of vessels owned by any member of the Group;

(b) the Net Debt divided by the Total Assets (adjusted for market values of owned vessels) less cash (which shall have the meaning given thereto under US GAAP meaning both restricted and freely available cash) shall be at all times less than 75%;

(c) the ratio of EBITDA to Interest Expense shall at all times be at least 2 to 1; and

(d) the Net Worth shall at all times be equal to or more than USD135,000,000.

12.5 Compliance Check. Compliance with the undertakings contained in Clause 12.4 (*Financial covenants*) shall be determined by reference to (i) the unaudited consolidated accounts for each consecutive quarter period in each Financial Year of the Guarantor and commencing with the first financial quarter ending 30 June, 2022 and (ii) the audited consolidated accounts for each Financial Year of the Guarantor and commencing with the Financial Year ending 31 December 2022, each delivered to the Agent pursuant to Clause 11.6 (*Provision of financial statements*) of this Agreement. Unless and until the Agent (acting with the authorisation of the Majority Lenders) otherwise agrees in writing, at the same time as it delivers those consolidated accounts (audited and unaudited) for each consecutive quarter and Financial Year, the Borrowers shall deliver to the Agent a Compliance Certificate, signed by the chief financial officer of the Guarantor, evidencing calculations and compliance with the financial covenants.

12.6 Change in accounting expressions and policies. If, by reason of change in format or US GAAP or other relevant accounting policies, the expressions appearing in any accounts and financial statements referred to in Clause 11.6 (*Provision of financial statements*) alter from those in the accounts and financial statements for the Group for the Financial Year ended 31 December 2022, the relevant definitions contained in Clause 1.1 (*Definitions*) and the provisions of Clause 12.4 (*Financial covenants*) shall be deemed modified in such manner as the Agent, acting with the authorisation of the Majority Lenders, shall require to take account of such different expressions but otherwise to maintain in all respects the substance of those provisions.

12.7 **Minimum Liquidity.** The Borrowers shall ensure, that the balance standing to the credit of each Earnings Account shall at all times be no less than $500,000.

13 INSURANCE

13.1 **General.** The Borrowers also undertake with each Creditor Party to comply with the following provisions of this Clause 13, and ensure that the Guarantor complies with the same, at all times until the last day of the Security Period except as the Agent may, with the authority of the Majority Lenders, otherwise permit.

13.2 **Maintenance of obligatory insurances.** Each Borrower shall ensure that the Ship owned by it is insured at its expense against:

(e) fire and such other risks as are usually contained within a standard marine insurance policy and/or increased value and disbursements policy covering the hull and machinery of such Ship;

(f) war risks;

(g) protection and indemnity risks; and

(h) any other risks against which the Security Trustee considers, having regard to practices and other circumstances prevailing at the relevant time, it would in the opinion of the Security Trustee be reasonable for the Guarantor to insure and which are specified by the Security Trustee by notice to the Borrowers and the relevant Guarantor.

13.3 **Terms of obligatory insurances.** Each Borrower shall effect such insurances in respect of its Ship:

(a) in Dollars and/or such currencies as agreed with the Security Trustee;

(b) in the case as specified in Clause 13.2 *(Maintenance of obligatory insurances*), cover is to be on an agreed value basis in an amount at least the greater of (i) such amount as when added to the insured value of the other Ships is 120 per cent. of the Loan and (ii) the Fair Market Value of that Ship;

(c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under a standard protection and indemnity entry with an international group protection and indemnity club (currently $1,000,000,000 in relation to any one event);

(d) in relation to protection and indemnity risks in respect of each Ship's gross tonnage;

(e) on approved terms; and

(f) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations.

13.4 **Further protections for the Creditor Parties.** In addition to the terms set out in Clause 13.3 *(Terms of obligatory insurances)*, the Borrowers shall procure that the obligatory insurances shall:

(a) whenever the Security Trustee requires, name (or be amended to name) the Security Trustee as an additional named assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;

(b) name the Security Trustee as loss payee with such directions for payment as the Security Trustee may specify;

(c) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever;

(d) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Trustee or any other Creditor Party; and

(e) provide that the Security Trustee may make proof of loss if the Borrowers fail to do so.

13.5 Renewal of obligatory insurances. Each Borrowers shall:

(a) before the expiry of any obligatory insurance effected by it:

(b) notify the Security Trustee of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Security Party proposes to renew that obligatory insurance and of the proposed terms of renewal; and

(c) obtain the Security Trustee's approval to the matters referred to in paragraph (i);

(d) as soon as practicable but in any event before the expiry of any obligatory insurance effected by it, renew that obligatory insurance in accordance with the Security Trustee's approval pursuant to paragraph (a); and

(e) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal.

13.6 Copies of policies; letters of undertaking. Each Borrower shall ensure that all approved brokers provide the Security Trustee as soon as practicable with pro forma copies of all policies relating to the obligatory insurances which have been effected or renewed and of a letter or letters or undertaking in a form required by the Security Trustee and that:

(a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 13.4 *(Further protections for the Creditor Parties)*;

(b) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause;

(c) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances;

(d) they will notify the Security Trustee, before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from the relevant Guarantor or its agents and, in the event of their receiving instructions to renew, they will promptly notify the Security Trustee of the terms of the instructions; and

(e) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by the relevant Guarantor under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of any of the Ships or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel

such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of the Ships forthwith upon being so requested by the Security Trustee.

13.7 Copies of certificates of entry. Each Borrower shall ensure that for any protection and indemnity and/or war risks associations in which a Ship is entered the Security Trustee will be provided with:

(a) a certified copy of the certificate of entry for that Ship;

(b) a letter or letters of undertaking in such form as may be required by the Security Trustee;

(c) where required to be issued under the terms of insurance/indemnity provided by the relevant Borrower's protection and indemnity association, a certified copy of each United States of America voyage quarterly declaration (or similar document or documents) made by the relevant Borrower in relation to the Ship owned by it in accordance with the requirements of such protection and indemnity association; and

(d) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to the relevant Ship.

13.8 Deposit of original policies. Each Borrower shall ensure that all policies issued and relating to obligatory insurances are deposited by the relevant Borrower with the approved intermediaries or other approved parties through which the insurances are effected or renewed.

13.9 Payment of premiums. Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances terms and conditions, and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees. Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Compliance with terms of insurances. Each Borrower shall not do or omit to do (or permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular:

(a) the relevant Borrower shall take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in Clause 13.6(c) *(Copies of policies; letters of undertaking)*) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;

(b) a Borrower shall not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;

(c) the relevant Borrower shall, make (and promptly supply copies to the Agent of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which its Ship is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and

(d) a Borrower shall not employ its Ship, nor allow such Ship to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.12 Alteration to terms of insurances. No Borrower shall make or agree to any alteration to the terms of any obligatory insurance nor waive any right relating to any obligatory insurance.

13.13 Settlement of claims. No Borrower shall settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

13.14 Provision of copies of communications. Each Borrower shall, promptly upon request by the Agent provide the Security Trustee, copies of all written communications which are material in the context of a Borrower's obligations under the Finance Documents between it and:

(a) the approved brokers or insurers; and

(b) the approved protection and indemnity and/or war risks associations; and

(c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:

(i) the relevant 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 the relevant Borrower and any of the persons referred to in paragraphs (a) or (b) relating wholly or partly to the effecting or maintenance of the obligatory insurances.

13.15 Provision of information. Each Borrower shall, promptly provide the Security Trustee (or any persons which it may designate) with any information which the Security Trustee (or any such designated person) requests for the purpose of:

(a) obtaining or preparing any report from an independent marine insurance broker or consultant as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or

(b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.16 *(Mortgagee's interest insurance)* or dealing with or considering any matters relating to any such insurances;

and each Borrower shall, forthwith upon demand, indemnify the Security Trustee in respect of all fees and other expenses incurred by or for the account of the Security Trustee in connection with any such report as is referred to in paragraph (a) above.

13.16 Mortgagee's interest insurance. The Security Trustee (acting on behalf of all the Lenders) shall be entitled, at the Borrowers' cost, from time to time to effect, maintain and renew a mortgagee's interest and pollution risks insurance policy (including additional perils (pollution) cover) in an amount equal to at least 120% of the Loan such terms, through such insurers and generally in such manner as the Security Trustee may from time to time consider appropriate.

13.17 Review of insurance requirements. The Majority Lenders shall be entitled to review the requirements of this Clause 13 *(Insurance)* from time to time in order to take account of any changes in circumstances after the date of this Agreement which are, in the opinion of the Majority Lenders, significant and capable of affecting a Borrower or any Ship and its or their insurance (including, without limitation, changes in the availability or the cost of insurance coverage or the risks to which an Owner may be subject), and may appoint insurance consultants in relation to this review at the cost of the Borrowers.

13.18 **Modification of insurance requirements.** The Security Trustee shall notify the Borrowers of any proposed modification under Clause 13.17 *(Review of insurance requirements)* to the requirements of this Clause 13 which the Majority Lenders reasonably consider appropriate in the circumstances, and such modification shall take effect on and from the date it is notified in writing to the Borrowers as an amendment to this Clause 13 and shall bind the Borrowers accordingly.

13.19 **Compliance with mortgagee's instructions.** The Security Trustee shall be entitled (without prejudice to or limitation of any other rights which it may have or acquire under any Finance Document) to require a Ship to remain at any safe port or to proceed to and remain at any safe port designated by the Security Trustee until the relevant Guarantor implements any amendments to the terms of the obligatory insurances and any operational changes required as a result of a notice served under Clause 13.18 *(Modification of insurance requirements)*.

13.20 **Assured and Co-Assured**. If persons other than the relevant Guarantor and/or Security Trustee are named as assureds or co-assureds in the insurance policy of the relevant Ship, the Borrowers shall procure that these persons assign their insurances to the Security Trustee upon such terms and conditions as the Security Trustee may require.

14 SHIP'S COVENANTS

14.1 **General.** Each Borrower also undertakes with each Creditor Party to comply in relation to its Ship, with, the following provisions of this Clause 14 at all times until the last day of the Security Period except as the Agent, with the authority of the Majority Lenders, may otherwise permit (such permission not to be unreasonably withheld in the case of Clause 14.13(b) *(Restriction on chartering, appointment of managers etc.*).

14.2 **Ship's name and registration.** Each Borrower shall keep the Ship owned by it registered in its name under an Approved Flag free of any Security Interest other than a Permitted Security Interest; and shall not do, omit to do or allow to be done anything as a result of which such registration might be cancelled or imperilled; and shall not, without the prior written consent of the Security Trustee change the name or port of registry of the Ship owned by it.

14.3 **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;

(b) so as to maintain that Ship's class with Lloyds Register of Shipping or Germanischer Lloyd AG (or such other first-class classification society which is a member of IACS acceptable to the Agent, such acceptance not to be unreasonably withheld or delayed) free of overdue recommendations and conditions affecting that Ship's class that have not been complied with in accordance with their terms; and

(c) so as to comply with all laws and regulations applicable to vessels registered at ports in the relevant Approved Flag State or to vessels trading to any jurisdiction to which that Ship may trade from time to time, including but not limited to the ISM Code, the ISPS Code and the MARPOL Protocol.

14.4 **Classification society undertaking.** Each Borrower shall instruct the classification society referred to in Clause 14.3(b) *(Repair and classification)* (and procure that the classification society undertakes with the Security Trustee):

(a) to send to the Security Trustee, following receipt of a written request from the Security Trustee, certified true copies of all original class records held by the classification society in relation to the Ship owned by the relevant Borrower;

(b) to allow the Security Trustee (or its agents), at any time and from time to time, to inspect the original class and related records of that Borrower and its Ship at the offices of the classification society and to take copies of them;

(c) to notify the Security Trustee immediately in writing if the classification society:

(i) receives notification from the relevant Borrower or any person that the Ship's classification society is to be changed; or

(ii) becomes aware of any facts or matters which may result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of the Ship's class under the rules or terms and conditions of the relevant Borrower's or its Ship's membership of the classification society;

(d) following receipt of a written request from the Security Trustee:

(i) to confirm that the relevant Borrower is not in default of any of its contractual obligations or liabilities to the classification society and, without limiting the foregoing, that it has paid in full all fees or other charges due and payable to the classification society; or

(ii) if the relevant Borrower is in default of any of its contractual obligations or liabilities to the classification society, to specify to the Security Trustee in reasonable detail the facts and circumstances of such default, the consequences thereof, and any remedy period agreed or allowed by the classification society.

14.5 **Modification.** No Borrower shall make any modification or repairs to, or replacement of, the Ship owned by it or equipment installed on its Ship which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

14.6 **Removal of parts.** No Borrower shall remove any material part of the Ship owned by it, or any item of equipment installed on, the Ship unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Security Interest or any right in favour of any person other than the Security Trustee and becomes on installation on the Ship the property of that Borrower and subject to the security constituted by the Mortgage, relative to the Ship **Provided that** a Borrower may install equipment owned by a third party if the equipment can be removed without any material risk of damage to the Ship.

14.7 **Surveys.** Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Security Trustee, provide the Security Trustee, with copies of all survey reports.

14.8 **Inspection.** Each Borrower shall permit and facilitate the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all reasonable times to inspect its condition or to satisfy themselves about proposed or executed repairs (at the Borrowers' cost) and shall afford all proper facilities for such inspections, at the cost of the Borrowers for one such inspection per Ship in each calendar year and otherwise at the Agent's cost.

14.9 **Prevention of and release from arrest.** Each Borrower shall shall promptly discharge:

(a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against its Ship, its Earnings or its Insurances;

(b) all taxes, dues and other amounts charged in respect of its Ship, its Earnings or its Insurances; and

(c) all other outgoings whatsoever in respect of its Ship, the Earnings or the Insurances;

and, forthwith upon receiving notice of the arrest of a Ship, or of its detention in exercise or purported exercise of any lien or claim, the Borrowers shall procure its release by providing bail or otherwise as the circumstances may require.

14.10 Compliance with laws etc. Each Borrower shall:

(a) comply, or procure compliance with the ISM Code, the ISPS code, the MARPOL Protocol and Environmental Laws and all other laws or regulations relating to the Ship owned by it, its ownership, operation and management or to the business that Borrower;

(b) comply, and will use best endeavours to procure that each Security Party and each other Group Member will, comply in all respect with all Sanctions;

(c) not employ the Ship owned by it nor allow its employment in any manner contrary to any law or regulation in any relevant jurisdiction including but not limited to the ISM Code, the ISPS code and the MARPOL Protocol; and

(d) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit its Ship to enter or trade to any zone which is declared a war zone by any government or by its Ship's war risks insurers unless the prior written consent of the Security Trustee has been given and the relevant Guarantor has (at its expense) effected any special, additional or modified insurance cover which the Security Trustee may require.

14.11 Provision of information. Each Borrower shall promptly provide the Security Trustee with any information which it requests regarding:

(a) the Ship owned by it, its employment, position and engagements;

(b) the Earnings and payments and amounts due to its Ship's master and crew;

(c) any expenses incurred, or likely to be incurred, in connection with the operation, maintenance or repair of its Ship and any payments made in respect of that Ship;

(d) any towages and salvages;

(e) that Borrower's, the Approved Manager's, the relevant Sub Manager's (if applicable) or its Ship's compliance with the ISM Code, the ISPS Code and the MARPOL Protocol;

and, upon the Security Trustee's request, provide copies of any current charter relating to any Ship, of any current charter guarantee and copies of the relevant Borrower's or the Approved Manager's or the relevant Sub Manager's Document of Compliance.

14.12 Notification of certain events. Each Borrower shall immediately notify the Security Trustee by fax, confirmed forthwith by letter, of:

(a) any casualty which is or is likely to be or to become a Major Casualty;

(b) any occurrence as a result of which the Ship has become or is, by the passing of time or otherwise, likely to become a Total Loss;

(c) any requirement or recommendation made by any insurer or classification society or by any competent authority which is not complied with within the relevant specified time limit or, in the absence of such time limit, promptly;

(d) any arrest or detention of a Ship, any exercise or purported exercise of any lien on a Ship or its Earnings or any requisition of that Ship for hire;

(e) any Environmental Claim made against a Borrower or the Approved Manager or a Sub Manager or in connection with any Ship or any Environmental Incident;

(f) any claim for breach of the ISM Code, the ISPS Code or the MARPOL Protocol being made against an Owner or the Approved Manager or a Sub Manager or otherwise in connection with any Ship; or

(g) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code, the ISPS Code or the MARPOL Protocol not being complied with;

and each Borrower shall keep the Security Trustee advised in writing on a regular basis and in such detail as the Security Trustee shall require of the relevant Owner's, the Approved Manager's, the relevant Sub Manager's or any other person's response to any of those events or matters.

14.13 Restrictions on chartering, appointment of managers etc. No Borrower shall:

(a) let the Ship owned by it on demise charter for any period;

(b) enter into any time or consecutive voyage charter in respect of the Ship owned by it for a term which exceeds, or which by virtue of any optional extensions may exceed, 13 months;

(c) enter into any charter in relation to its Ship under which more than 2 months' hire (or the equivalent) is payable in advance;

(d) charter its Ship otherwise than on bona fide arm's length terms at the time when that Ship is fixed;

(e) appoint a manager or sub manager of its Ship other than the entities advised to the Agent at the date of this Agreement as the Approved Manager or Sub Manager of each Ship unless the Agent on behalf of the Majority Lenders consents to the change of management or sub-management of each ship to a new entity on the condition that such new Approved Manager and/or Sub Manager deliver to the Agent, to the Agent's satisfaction (i) a certified true copy of the relevant Management Agreement, (ii) a Manager's Undertaking and/or Insurances Assignment (as applicable) in the Agreed Form and (iii) in relation to such Approved Manager or Sub Manager, items 1, 2, 3, 4, 6, 8 and 9 included in Schedule 3, Part A of this Agreement and items 2(f) and 3(b) included in Schedule 3, Part B of this Agreement;

(f) agree to any alteration to the material terms of the Management Agreement relating to its Ship or to any other terms of the Approved Manager's and/or a Sub Manager's appointment;

(g) de-activate or lay up its Ship for more than 30 days;

(h) put its 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), which amount shall exclude dry-docking costs, unless the Agent (acting with authorisation of the Majority Lenders) has given prior approval in writing.

14.14 Notice of Mortgage. Each Borrower shall keep the relevant Mortgage registered against the

Ship owned by it as a valid first priority mortgage, carry on board that Ship a certified copy of the relevant 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 the relevant Borrower to the Security Trustee; and

14.15 **Sharing of Earnings.** No Borrower shall enter into any agreement or arrangement for the sharing of any Earnings other than any time or voyage charters with profit sharing clauses.

14.16 **ISPS Code**. Each Borrower shall comply with the ISPS Code and in particular, without limitation, shall:

(i) procure that its Ship and the company responsible for such Ship's compliance with the ISPS Code comply with the ISPS Code; and

(j) maintain for its Ship an ISSC; and

(k) notify the Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

14.17 **Charters etc.** The Borrowers shall (i) deliver to the Agent a certified copy of each Extended Employment Contract upon its execution, (ii) forthwith on the Agent's request procure that the relevant Borrower executes (a) a Charter Assignment in respect thereof and (b) any notice of assignment required in connection therewith and use reasonable commercial efforts to procure the acknowledgement of any such notice of assignment by the relevant charterer (provided that any failure to procure the same shall not constitute an Event of Default) and (iii) pay all legal and other costs incurred by the Agent in connection with any such Charter Assignments forthwith following the Agent's demand.

Inventory of Hazardous Material. Each Borrower shall ensure that the Ship owned by it holds at all times during the Facility Period a Inventory of Hazardous Materials Certificate (IHM Certificate) or equivalent document as may be required by the Classification Society.

14.18 **Sustainable Vessel dismantling.** Each Borrower confirms that as long as it is in a lending relationship with ABN AMRO BANK N.V. it will ensure that any Ship controlled by it or the Guarantor or sold to an intermediary with the intention of being scrapped, is 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 and/or the EU Ship Recycling Regulation,

where "**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 (Text with EEA relevance).

14.19 **Fuel Oil Consumption Data.** 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 to the Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to each Ship for the preceding calendar year. For the avoidance of doubt, such information shall be confidential 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.

For the purposes of this Clause 14.20 (*Fuel Oil Consumption Data*):

"**Annex VI**" means Annex VI of the Protocol of 1997 (as subsequently amended from time to time) to amend the International Convention for the Prevention of Pollution from Ships 1973 ("MARPOL"), as modified by the Protocol of 1978 relating thereto;

"**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 Organization) from time to time; and

"**Statement of Compliance**" means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI.

14.20 Dry-docking/BWTS. Each Borrower shall procure that each Ship must install on her a ballast water treatment system in all respects compliant with class and/or flag requirements during her next dry-docking and/or when required by relevant flag/class requirements.

14.21 Inspection Reports. The Borrowers shall provide to the Agent, upon the Agent's request from time to time, an inspection report in respect of each Ship which is subject to a Mortgage, in a form and substance, and from a marine surveyor, acceptable to the Agent.

15 SECURITY COVER

15.1 Minimum required security cover. Clause 15.2 *(Provision of additional security; prepayment)* applies if the Agent notifies the Borrowers that:

(a) the aggregate of the Fair Market Values (determined as provided in Clause 15.3 *(Valuation of Ship)*) of the Ships subject to a Mortgage; plus

(b) the net realisable value of any additional security previously provided under this Clause 15;

is below 130% of the Loan.

15.2 Provision of additional security; prepayment. If the Agent serves a notice on the Borrowers under Clause 15.1 *(Minimum required security cover)*, the Borrowers shall, within 1 month after the date on which the Agent's notice is served, either:

(a) provide, or ensure that a third party provides, additional security which, in the opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall and is documented in such terms as the Agent may, with the authorisation of the Majority Lenders, approve or require; or

(b) prepay and/or cancel, in accordance with Clause 8 *(Repayment and Prepayment)*, such part (at least) of the Loan as will eliminate the shortfall.

15.3 Valuation of Ship. The Fair Market Value of a Ship at any date is that shown as a valuation prepared by an Approved Broker selected and appointed by the Agent or, if the Agent so requests in respect of valuations to be obtained at the end of the second and fourth quarters in each year, the average of valuations prepared by two Approved Brokers selected and appointed by the Agent:

(a) as at a date not more than 30 days previously;

(b) with or without physical inspection of that Ship (as the Agent may require); and

(c) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment.

Valuations shall be obtained by the Borrowers and addressed to the Agent:

(a) prior to (but dated no more than 30 days prior to) the Drawdown Date;

(b) at quarterly intervals commencing on 30 June 2022; and

(c) (in addition to (a) and (b) above) at any other time as the Agent shall require (in its absolute discretion

And if the Agent obtains valuations from 2 Approved Brokers, the Fair Market Value of the relevant Ship shall be the average of those two vauations.

15.4 Value of additional vessel security. The net realisable value of any additional security which is provided under Clause 15.2 *(Provision of additional security; prepayment)* and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.3 *(Valuation of Ship)*.

15.5 Valuations binding. Any valuation under Clause 15.2 *(Provision of additional security; prepayment)*, 15.3 *(Valuation of Ship)* or 15.4 *(Value of additional vessel security)* shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of any additional security which does not consist of or include a Security Interest.

15.6 Provision of information. The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.3 *(Valuation of Ship)* or 15.4 *(Value of additional vessel security)* with any information which the Agent or the Approved Broker or expert may request for the purposes of the valuation; and, if the Borrowers fail to provide the information by the date specified in the request, the valuation may be made on any basis and assumptions which the Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.7 Payment of valuation expenses. Without prejudice to the generality of the Borrowers' obligations under Clauses 20 *(Expenses)* and 21 *(Indemnities)*, the Borrowers shall, on demand, pay the Agent the amount of the fees and expenses of any Approved Broker instructed under this Clause 15.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments. All payments to be made by the Lenders or by the Borrowers under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:

(a) by not later than 11.00 a.m. (New York City time) on the due date;

(b) in same day Dollar funds settled through the New York Clearing House Interbank Payments System (or in such other Dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);

(c) in the case of an amount payable by a Lender to the Agent or by any Borrower to the Agent or any Lender, to such account as the Agent may from time to time notify to the Borrowers and the other Creditor Parties for this purpose; and

(d) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 **Payment on non-Business Day.** If any payment by a Borrower or a Security Party under a Finance Document would otherwise fall due on a day which is not a Business Day:

(a) the due date shall be extended to the next succeeding Business Day; or

(b) if the next succeeding Business Day falls in the next calendar month, the due date shall be brought forward to the immediately preceding Business Day;

(c) and interest shall be payable during any extension under paragraph (a) at the rate payable on the original due date.

16.3 **Basis for calculation of periodic payments.** All interest and commitment fee and guarantee fee and any other payments under any Finance Document which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360 day year.

16.4 **Distribution of payments to Creditor Parties.** Subject to Clauses 16.5 *(Permitted deductions by Agent)*, 16.6 *(Agent only obliged to pay when monies received)* and 16.7 *(Refund to Agent of monies not received)*:

(a) any amount received by the Agent under a Finance Document for distribution or remittance to a Creditor Party shall be made available by the Agent to that Creditor Party by payment, with funds having the same value as the funds received, to such account as the Creditor Party may have notified to the Agent not less than 3 Business Days previously; and

(b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 **Permitted deductions by Agent.** Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 **Agent only obliged to pay when monies received.** Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to any Borrower, any Lender any sum which the Agent is expecting to receive for remittance or distribution to that Borrower, to that Lender until the Agent has satisfied itself that it has received that sum.

16.7 **Refund to Agent of monies not received.** If and to the extent that the Agent makes available a sum to a Borrower or a Lender, without first having received that sum, the Borrower or (as the case may be) the Lender concerned shall, on demand:

(a) refund the sum in full to the Agent; and

(b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 **Agent may assume receipt.** Clause 16.7 *(Refund to Agent of monies not received)* shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 **Creditor Party accounts.** Each Creditor Party shall maintain accounts showing the amounts owing to it by each Borrower and each Security Party under the Finance Documents and all payments in respect of those amounts made by any Borrower and any Security Party.

16.10 Agent's memorandum account. The Agent shall maintain a memorandum account showing the amounts advanced by the Lenders and all other sums owing to each Creditor Party from each Borrower and each Security Party under the Finance Documents and all payments in respect of those amounts made by any Borrower and any Security Party.

16.11 Accounts prima facie evidence. If any accounts maintained under Clauses 16.9 *(Creditor Party Accounts)* and 16.10 (*Agent's memorandum account)* show an amount to be owing by a Borrower or a Security Party to a Creditor Party, those accounts shall be prima facie evidence that that amount is owing to that Creditor Party in the absence of manifest error.

16.12 FATCA Information

(a) Subject to subclause (c) below, each party to a Finance Document shall, within ten Business Days of a reasonable request by another party to the Finance Documents:

(i) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party;

(ii) supply to the requesting party such forms, documentation and other information relating to its status under FATCA as the requesting party reasonably requests for the purposes of such requesting party's compliance with FATCA; and

(iii) supply to the requesting party such forms, documentation and other information relating to its status as the requesting party reasonably requests for the purposes of the requesting party's compliance with any other law, regulation, or exchange of information regime.

(b) If a party to any Finance Document confirms to another party pursuant to subclause (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 and the Agent reasonably promptly.

(c) Subclause (a) above shall not oblige any Creditor Party to do anything, and Subclause (a) (iii) above shall not oblige any other party to a Finance Document to do anything, which would or might in its reasonable opinion constitute a breach of any law or regulation, any policy of that Creditor Party, any fiduciary duty or any duty of confidentiality.

(d) If a party to any Finance Document fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with subclause (a)(i) or (ii) above (including, 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.

16.13 FATCA Deduction

(a) A party to any Finance Document may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no party to any Finance Document 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) A party to any Finance Document shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction) notify the party to whom it is making the payment and, in addition, shall notify the Borrowers, the Agent and the other Creditor Parties.

17 APPLICATION OF RECEIPTS

17.1 Normal order of application. Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

(a) FIRST: in or towards payment pro rata of any unpaid fees, costs and expenses of the Agent and the Security Trustee and the other Creditor Parties under the Finance Documents;

(b) SECONDLY: in or towards payment pro rata of any accrued interest due but unpaid under this Agreement;

(c) THIRDLY: in or towards payment pro rata of any principal due but unpaid under this Agreement;

(d) FOURTHLY: in or towards payment pro rata of any other amounts due but unpaid under any Finance Document;

(e) FIFTHLY: in retention of an amount equal to any amount not then due and payable under any Finance Document but which the Lender, by notice to the Borrowers and the Security Parties, states in its opinion will or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the provisions of Clause 17.1 *(Normal order of application)* (a), (b), (c) and (d); and

(f) SIXTHLY: any surplus shall be paid to the Borrowers or to any other person entitled to it.

17.2 Variation of order of application. The Agent may, with the authorisation of the Lenders, by notice to the Borrowers, the Security Parties and the other Creditor Parties provide for a different manner of application from that set out in Clause 17.1 *(Normal order of application)* either as regards a specified sum or sums or as regards sums in a specified category or categories.

17.3 Notice of variation of order of application. The Agent may give notices under Clause 17.2 *(Variation of order of application)* from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

17.4 Appropriation rights overridden. This Clause 17 and any notice which the Agent gives under Clause 17.2 *(Variation of order of application)* shall override any right of appropriation possessed, and any appropriation made, by any Borrower or any Security Party.

18 APPLICATION OF EARNINGS, LOCATION OF ACCOUNTS

18.1 Payment of Earnings. Each Borrower undertakes with each Creditor Party to ensure that, throughout the Security Period (subject only to the provisions of the Mortgages and the General Assignments), all the Earnings in respect of a Ship are paid to the Earnings Account applicable to the Guarantor which is the owner of such Ship;

18.2 Application of Earnings. Each Borrower undertakes with each Creditor Party that money from time to time credited to, or for the time being standing to the credit of, an Earnings Account shall, unless and until an Event of Default or Potential Event of Default shall have occurred (whereupon the provisions of Clause 17.1 *(Normal order of application)* shall be and become applicable), be available for application in the following manner:

(a) FIRSTLY: in or towards meeting the costs, fees and expenses payable by any Borrower under the Finance Documents;

(b) SECONDLY: in or towards making the transfers to the Retention Account pursuant to Clause 18.3 *(Monthly retentions)*; and

(c) THIRDLY: in or towards meeting the costs and expenses from time to time incurred by or on behalf of the Borrowers in connection with the operation of the Ships.

18.3 Monthly retentions. Each Borrower undertakes with each Creditor Party to ensure that, throughout the Security Period on the same day in each month, there is transferred to the Retention Account:

(a) one-third of the repayment instalment in respect of the Loan falling due under Clause 8.1 *(Payment of Earnings)* on the next Repayment Date; and

(b) the relevant fraction of the aggregate amount of interest on the Loan which is payable on the next due date for payment of interest.

Where:

"**relevant fraction**" is a fraction of which the numerator is 1 and the denominator the number of months comprised in the then current Interest Period (or, if current Interest Period ends after the next date for payment of interest under this Agreement, the number of months from the later of the commencement of the current Interest Period or the last due date for payment of interest to the next date for payment of interest under this Agreement).

18.4 Shortfall in Earnings. If the aggregate Earnings received in the Earnings Accounts are insufficient in any month for the required amount to be transferred to any Retention Account under Clause 18.3 *(Monthly retentions)*, the Borrowers shall make up the amount of the insufficiency by payment in Dollars to the Retention Account.

18.5 Application of retentions. Until an Event of Default or a Potential Event of Default occurs, the Account Bank shall on each Repayment Date and on each due date for the payment of interest under this Agreement pay to the Agent, for the Agent to distribute to the Lenders in accordance with Clause 16.4 so much of the then balance on the Retention Account as equals:

(a) the repayment instalment due on that Repayment Date; or, as the case may be,

(b) the amount of interest payable on that interest payment date

in discharge of the Borrowers' liability for that repayment instalment or that interest.

18.6 Location of accounts. The Borrowers shall promptly:

(a) comply with any requirement of the Agent as to the location or re-location of the Earnings Accounts, the Retention Account or any of them, provided that those accounts must at all times be with the Account Bank; and

(b) execute any documents which the Agent specifies to create or maintain in favour of the Security Trustee a Security Interest over the Earnings Accounts and the Retention Account.

18.7 Borrowers' obligations unaffected. The provisions of this Clause 18 do not affect:

(a) the liability of the Borrowers to make payments of principal and interest on the due dates; or

(b) any other liability or obligation of any Borrower or any Security Party under any Finance Document.

19 EVENTS OF DEFAULT

19.1 Events of Default. An Event of Default occurs if:

(a) any Security Party fails to pay any sum payable by it under any of the Finance Documents at the time, in the currency and in the manner stipulated in the Finance Documents (and so that, for this purpose, sums payable (i) under clauses 5.1 and 8.1 shall be treated as having been paid at the stipulated time if (aa) received by the Agent within two (2) days of the dates therein referred to and (bb) such delay in receipt is caused by administrative or other delays or errors within the banking system and (ii) on demand shall be treated as having been paid at the stipulated time if paid within three (3) Business Days of demand); or

(b) any breach occurs of Clause 9.3 *(Conditions Subsequent)*, 11.2 *(Title; negative pledge)*, 11.3 *(No disposal of assets),* 11.24 *(Sanctions)*, 12.2 *(Maintenance of status)*, 12.3 *(Negative Undertakings)*, 12.4 *(Financial covenants)* or 15.2 *(Provision of additional security; prepayment)* of this Agreement; or

(c) any breach by any Borrower or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b)) which, in the reasonable opinion of the Majority Lenders, is capable of remedy, and such default continues unremedied 15 days after written notice from the Agent requesting action to remedy the same; or

(d) (subject to any applicable grace period specified in any Finance Document) any breach by any Borrower or any Security Party occurs of any provision of a Finance Document (other than a breach falling within paragraphs (a), (b) or (c)); or

(e) any representation, warranty or statement made or repeated by, or by an officer of, a Borrower or a Security Party in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading in a material respect when it is made or repeated; or

(f) any of the following occurs in relation to any Financial Indebtedness (exceeding $20,000,000 in respect of the Guarantor and $2,000,000 for all other Relevant Persons) of a Relevant Person:

(i) any Financial Indebtedness of a Relevant Person is not paid when due; or

(ii) any Financial Indebtedness of a Relevant Person becomes due and payable prior capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default; or

(iii) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of a Relevant Person ceases to be available or becomes capable of being terminated as a result of any event of default, or cash cover is required, or becomes capable of being required, in respect of such a facility as a result of any event of default; or

(iv) an event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfillment of any other applicable condition or any combination of the foregoing would constitute such an event of default) occurs under any document relating to Financial Indebtedness of a Relevant Person; or

(v) any Security Interest securing any Financial Indebtedness of a Relevant Person becomes enforceable; or

(g) any of the following occurs in relation to a Relevant Person:

(i) a Relevant Person becomes, in the reasonable opinion of the Majority Lenders, unable to pay its debts as they fall due; or

(ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress, or any form of freezing order, in respect of a sum of, or sums aggregating, $20,000,000 or more in respect of the Guarantor and $2,000,000 or more for all other Relevant Persons or the equivalent in another currency and, in respect of a Relevant Person other than a Security Party, the same is not lifted within 30 days; or

(iii) any administrative or other receiver is appointed over any asset of a Relevant Person; or

(iv) an administrator is appointed (whether by the court or otherwise) in respect of a Relevant Person; or

(v) any formal declaration of bankruptcy or any formal statement to the effect that a Relevant Person is insolvent or likely to become insolvent is made by a Relevant Person or by the directors of a Relevant Person or, in any proceedings, by a lawyer acting for a Relevant Person; or

(vi) a provisional liquidator is appointed in respect of a Relevant Person, a winding up order is made in relation to a Relevant Person or a winding up resolution is passed by a Relevant Person; or

(vii) a resolution is passed, and administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by (a) a Relevant Person, (b) the members or directors of a Relevant Person, (c) a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person, or (d) a government minister or public or regulatory authority of a Pertinent Jurisdiction for or with a view to the winding up of that or another Relevant Person or the appointment of a provisional liquidator or administrator in respect of that or another Relevant Person, or that or another Relevant Person ceasing or suspending business operations or payments to creditors, save that this paragraph does not apply to a fully solvent winding up of a Relevant Person other than a Borrower or a Guarantor which is, or is to be, effected for the purposes of an amalgamation or reconstruction previously approved by the Agent and effected not later than three months after the commencement of the winding up; or

(viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administration is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (a) the application or petition is dismissed or withdrawn within 30 days of being made or presented, or (b) within 30 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there be no administration and (in both cases (a) or (b)) the Relevant Person will continue to carry on business in the ordinary way and without being the subject of any actual, interim or pending insolvency law procedure; or

(ix) a Relevant Person or its directors take any steps (whether by making or presenting an application or petition to a court, or submitting or presenting a document setting out a proposal or proposed terms, or otherwise) with a view to obtaining, in relation to that or another Relevant Person, any form of moratorium, suspension or deferral of payments, reorganisation of debt (or certain debt or arrangement with all or a substantial proportion (by number or value) of creditors or of any class of them or any such moratorium, suspension or deferral of payments, reorganisation or arrangement is effected by court order, by the filing of documents with a court, by means of a contract or in any other way at all; or

(x) any meeting of the members or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the members, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or

(xi) in a Pertinent Jurisdiction other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the opinion of the Agent is similar to any of the foregoing; or

(h) any Security Party is in breach of or fails to observe any law, requirement, measure or procedure implemented to combat "money laundering" as defined in Article 1 of the Directive 2015/849/EC of the Council of the European Communities; or

(i) any Borrower or any Security Party ceases or suspends carrying on its business or a part of its business which, in the opinion of the Majority Lenders, is material in the context of this Agreement or the other Finance Documents; or

(j) it becomes unlawful or impossible:

(i) for any Borrower or any Security Party to discharge any liability under a Finance Document or to comply with any other obligation which the Majority Lenders consider material under a Finance Document; or

(ii) for the Agent, the Security Trustee or the Lenders to exercise or enforce any right under, or to enforce any Security Interest created by, a Finance Document; or

(k) any consent necessary to enable a Guarantor to own, operate or charter its Ship or to enable any Borrower or any Security Party to comply with any provision which the Majority Lenders consider material of a Finance Document or any Management Agreement (as applicable) is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent is not fulfilled; or

(l) after the date of this Agreement and without their prior consent a change has occurred in the legal ownership of any of the shares in a Guarantor; or

(m) any provision which the Majority Lenders acting reasonably consider material of a Finance Document proves to have been or becomes invalid or unenforceable, or a Security Interest created by a Finance Document proves to have been or becomes invalid or unenforceable or such a Security Interest proves to have ranked after, or loses its priority to, another Security Interest or any other third party claim; or

(n) the security constituted by a Finance Document is in any way imperilled or in jeopardy and if, in the opinion of the Majority Lenders, capable of remedy, such event or circumstance continues unremedied 14 days after written notice from the Agent to the Borrowers or relevant Security Party requesting action to remedy the same; or

(o) any other event occurs or any other circumstances arise or develop including, without limitation:

(i) a change in the financial position, state of affairs or prospects of any Relevant Person; or

(ii) any accident or other event involving any Ship or another vessel owned, chartered or operated by a Relevant Person; or

(iii) any litigation or proceedings are commenced or threatened against a Relevant Person,

in the light of which the Majority Lenders reasonably consider that:

(a) there is a significant risk that any Borrower or any Security Party is, or will later become, unable to discharge its liabilities under the Finance Documents as they fall due; or

(b) such event represents a material adverse change to the business of such Borrower or such Security Party.

19.2 Actions following an Event of Default.

On, or at any time after, the occurrence of an Event of Default:

6.1.2 the Agent may, and if so instructed by the Majority Lenders, the Agent shall:

(a) serve on the Borrowers a notice stating that all or part of the Commitments and of the other obligations of each Lender to the Borrowers under this Agreement are cancelled; and/or

(b) serve on the Borrowers a notice stating that all or part of the Loan together with accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or

(c) take any other action which, as a result of the Event of Default or any notice served under paragraph (i) or (ii), the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or

6.1.3 the Security Trustee may, by notice to the Borrowers, exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

19.3 Termination of Commitments. On the service of a notice under Clause 19.2(a)(i) *(Actions following an Event of Default*), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall be cancelled.

19.4 Acceleration of liabilities. On the service of a notice under Clause 19.2(a)(ii) *(Actions following an Event of Default*), the Loan, all accrued interest and all other amounts accrued or owing from any Borrower or any Security Party under this Agreement and every other Finance Document shall become immediately due and payable or, as the case may be, payable on demand.

19.5 Multiple notices; action without notice. The Agent may serve notices under Clause 19.219.2(a)(i) *(Actions following an Event of Default*), or 19.2(a)(ii) simultaneously or on different dates

and it and/or the Security Trustee may take any action referred to in Clause 19.2 *(Actions following an Event of Default*), if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 **Notification of Creditor Parties and Security Parties.** The Agent shall send to each Creditor Party and each Security Party a copy or the text of any notice which the Agent serves on the Borrowers under Clause 19.2 *(Actions following an Event of Default*); but the notice shall become effective when it is served on the Borrowers, and no failure or delay by the Agent to send a copy or the text of the notice to any other person shall invalidate the notice or provide any Borrower or any Security Party with any form of claim or defence

19.7 **Lenders' rights unimpaired.** Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1 *(Interests several)*.

19.8 **Exclusion of Creditor Party liability.** No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to a Borrower or a Security Party:

(a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or

(b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset;

except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been directly and mainly caused by the dishonesty or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 **Relevant Persons**. In this Clause 19 a "**Relevant Person**" means a Borrower, the Guarantor and any other Security Party (other than an Approved Manager that is not a Subsidiary of the Guarantor) and any of their Subsidiaries.

19.10 **Interpretation.** In Clause 19.1(f) *(Events of Default)* references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in Clause 19.1(g) *(Events of Default)* "**petition**" includes an application.

20 EXPENSES

20.1 **Upfront fee.** The Borrowers shall pay to the Agent for the account of the Lenders pro rata in accordance with their Commitments, on the Drawdown Date to occur, a non-refundable upfront fee of 0.85% of the Total Commitments.

20.2 **Commitment fee.** The Borrowers shall pay to the Agent for the account of the Lenders pro rata in accordance with their Commitments, on each of the dates falling at three (3) monthly intervals after the date of this Agreement until the last day of the Availability Period and on the last day of the Availability Period, commitment commission accruing from the date of this Agreement (in the case of the first payment of commission) and from the date of the preceding payment of commission (in the case of each subsequent payment) at the rate of zero point seven five per cent (0.75%) per annum on the daily undrawn amount of the Total Commitments

20.3 **Costs of negotiation, preparation etc.** The Borrowers shall pay to the Agent on its demand the amount of all expenses incurred by the Agent or the Security Trustee in connection with the negotiation, preparation, execution or registration of any Finance Document or any related document or with any transaction contemplated by a Finance Document or a related document (including without limitation, any travel expenses).

20.4 **Costs of variations, amendments, enforcement etc.** The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Creditor Party concerned the amount of all expenses incurred by a Creditor Party in connection with:

(a) any amendment or supplement to a Finance Document, or any proposal for such an amendment to be made;

(b) any consent or waiver by the Lenders, the Majority Lenders or the Creditor Party concerned under or in connection with a Finance Document, or any request for such a consent or waiver;

(c) the valuation of any security provided or offered under Clause 15 *(Security Cover)* or any other matter relating to such security; or

(d) any step taken by the Creditor Party concerned with a view to the protection, exercise or enforcement of any right or Security Interest created by a Finance Document or for any similar purpose (including without limitation any litigation cost).

There shall be recoverable under paragraph (d) the full amount of all legal expenses, whether or not such as would be allowed under rules of court or any taxation or other procedure carried out under such rules.

20.5 **Documentary taxes.** The Borrowers shall promptly pay any tax payable on or by reference to any Finance Document, and shall, on the Agent's demand, fully indemnify each Creditor Party against any claims, expenses, liabilities and losses resulting from any failure or delay by the Borrowers to pay such a tax.

20.6 **Certification of amounts.** A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 20 and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21 INDEMNITIES

21.1 **Indemnities regarding borrowing and repayment of Loan.** The Borrowers shall fully indemnify each Creditor Party on the Agent's demand and the Security Trustee on its demand in respect of all claims, expenses, liabilities and losses which are made or brought against or incurred by that Creditor Party, or which that Creditor Party reasonably and with due diligence estimates that it will incur, as a result of or in connection with:

(a) The Loan not being borrowed on the date specified in the Drawdown Notice for any reason other than a default by the Lender claiming the indemnity;

(b) the receipt or recovery of all or any part of the Loan or an overdue sum otherwise than on the last day of an Interest Period or other relevant period;

(c) any failure (for whatever reason) by the Borrowers to make payment of any amount due under a Finance Document on the due date or, if so payable, on demand (after giving credit for any default interest paid by any Borrower on the amount concerned under Clause 7 *(Default Interest)*);

(d) the occurrence and/or continuance of an Event of Default or a Potential Event of Default and/or the acceleration of repayment of the Loan or any part of it under Clause 19 *(Events of Default)*; and

(e) any tax (other than tax on its overall net income) for which a Creditor Party is liable in connection with any amount paid or payable to that Creditor Party (whether for its own account or otherwise) under any Finance Document.

21.2 Breakage costs. Without limiting its generality, Clause 21.1 *(Indemnities regarding borrowing and repayment of Loan*) covers any claim, expense, liability or loss, including a loss of a prospective profit, incurred by a Lender:

(a) in liquidating or employing deposits from third parties acquired or arranged to fund or maintain all or any part of its Contribution and/or any overdue amount (or an aggregate amount which includes its Contribution or any overdue amount); and

(b) in terminating, or otherwise in connection with, any interest and/or currency swap or any other transaction entered into (whether with another legal entity or with another office or department of the Lender concerned) to hedge any exposure arising under this Agreement or that part which the Lender concerned determines is fairly attributable to this Agreement of the amount of the liabilities, expenses or losses (including losses of prospective profits) incurred by it in terminating, or otherwise in connection with, a number of transactions of which this Agreement is one.

21.3 Miscellaneous indemnities. The Borrowers shall fully indemnify each Creditor Party severally on their respective demands in respect of all claims, expenses, liabilities and losses which may be made or brought against or incurred by a Creditor Party, in any country, as a result of or in connection with:

(a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document; or

(b) any other Pertinent Matter;

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty or wilful misconduct of the officers or employees of the Creditor Party concerned.

Without prejudice to its generality, this Clause 21.3 covers any claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code, the MARPOL Protocol or any Environmental Law.

21.4 Currency indemnity. If any sum due from any Borrower or any Security Party to a Creditor Party under a Finance Document or under any order or judgment relating to a Finance Document has to be converted from the currency in which the Finance Document provided for the sum to be paid (the "**Contractual Currency**") into another currency (the "**Payment Currency**") for the purpose of:

(a) making or lodging any claim or proof against any Borrower or any Security Party, whether in its liquidation, any arrangement involving it or otherwise; or

(b) obtaining an order or judgment from any court or other tribunal; or

(c) enforcing any such order or judgment;

the Borrowers shall indemnify the Creditor Party concerned against the loss arising when the amount of the payment actually received by that Creditor Party is converted at the available rate of exchange into the Contractual Currency.

In this Clause 21.4 the "**available rate of exchange**" means the rate at which the Creditor Party concerned is able at the opening of business (Rotterdam time) on the Business Day after it receives the sum concerned to purchase the Contractual Currency with the Payment Currency.

This Clause 21.4 creates a separate liability of eachy Borrower which is distinct from their other liabilities under the Finance Documents and which shall not be merged in any judgment or order relating to those other liabilities.

21.5 **Certification of amounts.** A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 21 and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21.6 **Sums deemed due to a Lender.** For the purposes of this Clause 21, a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to a Lender shall be treated as a sum due to that Lender.

22 NO SET-OFF OR TAX DEDUCTION

22.1 **No deductions.** All amounts due from any Borrower under a Finance Document shall be paid:

(a) without any form of set-off, cross-claim or condition; and

(b) free and clear of any tax deduction except a tax deduction which the relevant Borrower is required by law to make.

22.2 **Grossing-up for taxes.** If a Borrower is required by law to make a tax deduction from any payment (other than a FATCA Deduction):

(a) the Borrower concerned shall notify the Agent as soon as it becomes aware of the requirement;

(b) the Borrower concerned shall pay the tax deducted to the appropriate taxation authority promptly, and in any event before any fine or penalty arises;

(c) the amount due in respect of the payment shall be increased by the amount necessary to ensure that each Creditor Party receives and retains (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which it would otherwise have received.

22.3 **Evidence of payment of taxes.** Within 1 month after making any tax deduction, the Borrower concerned shall deliver to the Agent documentary evidence satisfactory to the Agent that the tax had been paid to the appropriate taxation authority.

22.4 **Exclusion of tax on overall net income.** In this Clause 22 "**tax deduction**" means any deduction or withholding for or on account of any present or future tax except tax on a Creditor Party's overall net income.

23 ILLEGALITY, ETC

23.1 **Illegality.** This Clause 23 applies if a Lender (the "**Notifying Lender**") notifies the Agent that it has become, or will with effect from a specified date, become:

(a) unlawful or prohibited as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or

(b) contrary to, or inconsistent with, any regulation, for the Notifying Lender to maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement.

23.2 **Notification of illegality.** The Agent shall promptly notify the Borrowers, the Security Parties, and each of the Creditor Parties of the notice under Clause 23.1 *(Illegality)* which the Agent receives from the Notifying Lender.

23.3 **Prepayment; termination of Commitment.** On the Agent notifying the Borrowers under Clause 23.2 *(Notification of illegality)*, the Notifying Lender's Commitment shall terminate; and thereupon or, if later, on the date specified in the Notifying Lender's notice under Clause 23.1 *(Illegality)* as the date on which the notified event would become effective the Borrowers shall prepay the Notifying Lender's Contribution in accordance with Clause 8 *(Repayment and Prepayment)*.

23.4 **Mitigation**. If circumstances arise which would result in a notification under Clause 23.1 *(Illegality)* then, without in any way limiting the rights of the Notifying Lender under Clause 23.3 *(Prepayment, termination of Commitment)*, the Notifying Lender shall use reasonable endeavours to transfer its obligations, liabilities and rights under this Agreement and the Finance Documents to another office or financial institution not affected by the circumstances but the Notifying Lender shall not be under any obligation to take any such action if, in its opinion, to do would or might:

(a) have an adverse effect on its business, operations or financial condition; or

(b) involve it in any activity which is unlawful or prohibited or any activity that is contrary to, or inconsistent with, any regulation; or

(c) involve it in any expense (unless indemnified to its satisfaction) or tax disadvantage.

24 INCREASED COSTS

24.1 **Increased costs.** This Clause 24 applies if a Lender (the "**Notifying Lender**") notifies the Agent that the Notifying Lender considers that as a result of:

(a) the introduction or alteration after the date of this Agreement of a law or an alteration after the date of this Agreement in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Agreement of a tax on the Lender's overall net income); or

(b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Notifying Lender allocates capital resources to its obligations under this Agreement) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Agreement,

the Notifying Lender (or a parent company of it) has incurred or will incur an "**increased cost**".

24.2 **Meaning of "increased cost".** In this Clause 24, "**increased cost**" means, in relation to a Notifying Lender:

(a) an additional or increased cost incurred as a result of, or in connection with, the Notifying Lender having entered into, or being a party to, this Agreement or a Transfer Certificate, of funding or maintaining its Commitment or Contribution or performing its obligations under this Agreement, or of having outstanding all or any part of its Contribution or other unpaid sums;

(b) a reduction in the amount of any payment to the Notifying Lender under this Agreement or in the effective return which such a payment represents to the Notifying Lender or on its capital;

(c) an additional or increased cost of funding all or maintaining all or any of the advances comprised in a class of advances formed by or including the Notifying Lender's Contribution or (as the case may require) the proportion of that cost attributable to the Contribution; or

(d) an additional or increased cost of funding all or maintaining all or any part the Notifying Lender's Contributions or other unpaid sums or (as the case may require) the proportion of that cost attributable to the Contributions or other unpaid sums; or

(e) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Notifying Lender under this Agreement;

but not an item attributable to a change in the rate of tax on the overall net income of the Notifying Lender (or a parent company of it) or an item covered by the indemnity for tax in Clause 21.1 *(Indemnities regarding borrowing any repayment of Loan)* or by Clause 22 *(No Set-Off or Tax Deduction)*.

For the purposes of this Clause 24.2 the Notifying Lender may in good faith allocate or spread costs and/or losses among its assets and liabilities (or any class of its assets and liabilities) on such basis as it considers appropriate.

24.3 Notification to Borrowers of claim for increased costs. The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.1 *(Increased Costs)*.

24.4 Payment of increased costs. The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Notifying Lender the amounts which the Agent from time to time notifies the Borrowers that the Notifying Lender has specified to be necessary to compensate the Notifying Lender for the increased cost.

24.5 Notice of prepayment; cancellation. If the Borrowers are not willing to continue to compensate the Notifying Lender for the increased cost under Clause 24.4 *(Payment of increased costs)*, the Borrowers may give the Agent not less than 14 days' notice of their intention to:

(a) prepay the Notifying Lender's Contribution at the end of an Interest Period; and/or

(b) cancel the Notifying Lender's Available Commitment.

24.6 Prepayment; termination of Commitment. A notice under Clause 24.5 *(Notice of prepayment; cancellation)* shall be irrevocable; the Agent shall promptly notify the Notifying Lender of the Borrowers' notice of intended prepayment and/or cancellation; and:

(a) on the date on which the Agent serves that notice, the Available Commitment of the Notifying Lender shall be cancelled;

(b) on the date specified in its notice of intended prepayment, the Borrowers shall prepay (without premium or penalty) the Notifying Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin.

25 SET-OFF

25.1 Application of credit balances. Each Creditor Party may, following the occurrence of an Event of Default which is continuing, without prior notice:

(a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of any Borrower at any office in any country of that Creditor Party in or towards satisfaction of any sum then due from the Borrowers to that Creditor Party under any of the Finance Documents; and

(b) for that purpose:

(i) break, or alter the maturity of, all or any part of a deposit of any Borrower;

(ii) convert or translate all or any part of a deposit or other credit balance into Dollars; and

(iii) enter into any other transaction or make any entry with regard to the credit balance which the Creditor Party concerned considers appropriate.

25.2 **Existing rights unaffected.** No Creditor Party shall be obliged to exercise any of its rights under Clause 25.1 *(Application of credit balances)*; and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Creditor Party is entitled (whether under the general law or any document).

25.3 **Sums deemed due to a Creditor Party.** For the purposes of this Clause 25, a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to, or for the account of, any Creditor Party shall be treated as a sum due to that Creditor Party; and each Creditor Party's proportion of a sum so payable for distribution to, or for the account of, the Creditor Parties shall be treated as a sum due to such Creditor Party.

25.4 **No Security Interest.** This Clause 25 gives the Creditor Parties a contractual right of set-off only, and does not create any equitable charge or other Security Interest over any credit balance of any Borrower.

26 TRANSFERS AND CHANGES IN LENDING AND BOOKING OFFICES

26.1 **Transfer by Borrowers.** No Borrower may, without the consent of the Agent, given on the instructions of all the Lenders, transfer any of its rights, liabilities or obligations under any Finance Document.

26.2 **Transfer by a Lender.** Subject to Clause 26.4 *(Effective Date of Transfer Certificate)*, a Lender (the "**Transferor Lender**") may, (i) if such transfer is to any bank or financial institution affiliated to a Lender or if such transfer is made while an Event of Default is continuing, without the consent of the Borrowers or (ii) if such transfer is to any arm's length bank or financial institution, with the prior consent of the Borrowers, (such consent not to be unreasonably withheld or delayed) at any time, cause:

(a) its rights in respect of all or part of its Contribution; or

(b) its obligations in respect of all or part of its Commitment; or

(c) a combination of (a) and (b);

to be (in the case of its rights) transferred to, or (in the case of its obligations) assumed by, another bank or financial institution (a "**Transferee Lender**") by delivering to the Agent a completed certificate in the form set out in Schedule 4 with any modifications approved or required by the Agent (a "**Transfer Certificate**") executed by the Transferor Lender and the Transferee Lender.

However any rights and obligations of the Transferor Lender in its capacity as Agent or Security Trustee will have to be dealt with separately in accordance with the Agency and Trust Deed.

26.3 **Transfer Certificate, delivery and notification.** As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

(a) sign the Transfer Certificate on behalf of itself, the Borrowers, the Security Parties and each of the Creditor Parties;

(b) on behalf of the Transferee Lender, send to the Borrowers and each Security Party letters or faxes notifying them of the Transfer Certificate and attaching a copy of it;

(c) send to the Transferee Lender copies of the letters or faxes sent under paragraph (b) above.

26.4 **Effective Date of Transfer Certificate.** A Transfer Certificate becomes effective on the date, if any, specified in the Transfer Certificate as its effective date, **Provided that** it is signed by the Agent under Clause 26.3 *(Transfer Certificate, delivery and notification)* on or before that date.

26.5 **No transfer without Transfer Certificate.** No assignment or transfer of any right or obligation of a Lender under any Finance Document is binding on, or effective in relation to, any Borrower, any Security Party, the Agent or the Security Trustee unless it is effected, evidenced or perfected by a Transfer Certificate.

26.6 **Lender re-organisation; waiver of Transfer Certificate.** However, if a Lender enters into any merger, de-merger or other reorganisation as a result of which all its rights or obligations vest in another person (the "**successor**"), the Agent may, if it sees fit, by notice to the successor and the Borrowers and the Security Trustee waive the need for the execution and delivery of a Transfer Certificate; and, upon service of the Agent's notice, the successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender.

26.7 **Effect of Transfer Certificate.** A Transfer Certificate takes effect in accordance with English law as follows:

(a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender's title and of any rights or equities which any Borrower or any Security Party had against the Transferor Lender;

(b) the Transferor Lender's Commitment is discharged to the extent specified in the Transfer Certificate;

(c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;

(d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;

(e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate's effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the Transferor Lender, assuming that any defects in the transferor's title and any rights or equities of any Borrower or any Security Party against the Transferor Lender had not existed;

(f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating

to the Majority Lenders and those under Clause 5.7 *(Market disruption)* and Clause 20 *(Expenses)*, and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them; and

(g) in respect of any breach of a warranty, undertaking, condition or other provision of a Finance Document or any misrepresentation made in or in connection with a Finance Document, the Transferee Lender shall be entitled to recover damages by reference to the loss incurred by it as a result of the breach or misrepresentation, irrespective of whether the original Lender would have incurred a loss of that kind or amount.

The rights and equities of any Borrower or any Security Party referred to above include, but are not limited to, any right of set off and any other kind of cross-claim.

26.8 Maintenance of register of Lenders. During the Security Period the Agent shall maintain a register in which it shall record the name, Commitment, Contribution and administrative details (including the lending office) from time to time of each Lender holding a Transfer Certificate and the effective date (in accordance with Clause 26.4 *(Effective Date of Transfer Certificate*) of the Transfer Certificate; and the Agent shall make the register available for inspection by any Creditor Party and the Borrowers during normal banking hours, subject to receiving at least 3 Business Days prior notice.

26.9 Reliance on register of Lenders. The entries on that register shall, in the absence of manifest error, be conclusive in determining the identities of the Lenders and the amounts of their Commitments and Contributions and the effective dates of Transfer Certificates and may be relied upon by the Agent and the other parties to the Finance Documents for all purposes relating to the Finance Documents.

26.10 Authorisation of Agent to sign Transfer Certificates. Each Borrower and each Creditor Party irrevocably authorise the Agent to sign Transfer Certificates on its behalf.

26.11 Registration fee. In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of $1,000 from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.12 Sub-participation; subrogation assignment. A Lender may sub-participate all or any part of its rights and/or obligations under or in connection with the Finance Documents without the consent of, or any notice to, any Borrower, any Security Party, or the other Creditor Parties; and the Lenders may assign, in any manner and terms agreed by the Majority Lenders, the Agent and the Security Trustee, all or any part of those rights to an insurer or surety who has become subrogated to them.

26.13 Disclosure of information. A Lender may disclose to a potential Transferee Lender or sub-participant any information which the Lender has received in relation to any Borrower, any Security Party or their affairs under or in connection with any Finance Document, unless the information is clearly of a confidential nature.

Without prejudice to the above, each Borrower irrevocably authorises each Creditor Party to give, divulge and reveal from time to time information and details relating to its accounts, the Finance Documents and the facilities granted pursuant thereto to any authorities, each Creditor Party's head office, branches and affiliates, any other parties to the Finance Documents and any person regarding any funding, operational arrangement or other transaction in relation thereto, including without limitation, for purposes in connection with any enforcement or assignment or transfer of any of the Creditor Parties' rights and obligations. This authorisation shall survive and continue in full force and effect for the benefit of each Creditor Party notwithstanding the repayment, cancellation or termination of the Loan or any part thereof and/or the termination of one or more types of banker-customer relationships between any Security Party and the relevant Creditor Party.

26.14 Change of lending or booking office. A Lender may, at its own cost, change its lending or booking office, as the case may be, by giving notice to the Agent and the change shall become effective on the later of:

(a) the date on which the Agent receives the notice; and

(b) the date, if any, specified in the notice as the date on which the change will come into effect,

provided that the Borrowers shall bear no additional obligations as a result of such change in lending office.

On receiving such a notice, the Agent shall notify the Borrowers and the Security Trustee; and, until the Agent receives such a notice, it shall be entitled to assume that a Lender is acting through the lending or booking office, as the case may be, of which the Agent last had notice.

26.15 Replacement of Reference Bank. If any Reference Bank ceases to be a Lender or is unable on a continuing basis to supply quotations for the purposes of Clause 5 *(Interest)* then, unless the Borrowers, the Agent and the Majority Lenders otherwise agree, the Agent, acting on the instructions of the Majority Lenders, and after consulting the Borrowers, shall appoint another bank (whether or not a Lender) to be a replacement Reference Bank; and, when that appointment comes into effect, the first-mentioned Reference Bank's appointment shall cease to be effective.

26.16 Confidential Information Each Creditor Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 26.17 (*Disclosure of Confidential Information*) and Clause 26.18 (*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. The Lenders further acknowledge 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 the Lenders undertake not to use any confidential information for any unlawful purpose.

26.17 Disclosure of Confidential Information In this Clause, "**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

Any Creditor Party may disclose:

(a) to any of its Affiliates and any of its or their officers, directors, employees, professional advisers, insurers, reinsurers and insurance brokers, auditors, partners and Representatives such Confidential Information as that Creditor Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

(i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents and to any of that person's Affiliates, 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 Security Parties and to any of that person's Affiliates, Representatives and professional advisers;

(iii) appointed by any Creditor Party or by a person to whom sub-paragraph (a) or (b) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

(iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (a) or (b) above;

(v) to whom information is required or requested to be disclosed by (i) any governmental, banking, taxation or other regulatory authority or similar body, or the rules of any relevant stock exchange; or (ii) pursuant to any applicable law or regulation; or (iii) by any court of competent jurisdiction; and (iv) in connection with and for the purposes of any litigation, arbitration or other proceedings or dispute.

(vi) to whom or for whose benefit that Creditor Party charges, assigns or otherwise creates a Security Interest (or may do so);

(vii) who is a Party; or

(viii) with the consent of the Borrowers;

in each case, such Confidential Information as that Creditor Party shall consider appropriate if:

(i) in relation to sub-paragraphs (i), (ii) and (iii) 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;

(ii) in relation to sub-paragraph (iv) 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) to any person appointed by that Creditor Party or by a person to whom sub-paragraph (a) or (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 sub Clause if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Creditor Party;

(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 Security Parties.

26.18 Disclosure to numbering service providers

(a) Notwithstanding any other term of any Finance Document or any other agreement between the Parties to the contrary (whether express or implied) any Creditor Party may disclose to any national or international numbering service provider appointed by that Creditor Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Security Parties the following information:

(i) names of Security Parties;

(ii) country of domicile of Security Parties;

(iii) place of incorporation or formation (as the case may be) of Security Parties;

(iv) date and governing law of this Agreement;

(v) the name of the Agent;

(vi) date of each amendment and restatement of this Agreement;

(vii) amount of the Loan and the Total Commitments;

(viii) currency of the Loan;

(ix) type of Loan;

(x) ranking of Loan;

(xi) final Repayment Date;

(xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and

(xiii) such other information agreed between such Creditor Party and the Borrowers,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

(b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Loan and/or one or more Security Parties 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 Security Party represents that none of the information set out in paragraphs (a) to (m) of Clause 26.18(a) above is, nor will at any time be, unpublished price-sensitive information.

(d) The Agent shall notify the Borrowers and the other Creditor Parties of:

(i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Security Parties; and

(ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Security Parties by such numbering service provider.

26.19 **Disclosure to administration/settlement services providers.** Notwithstanding any other term of any Finance Document or any other agreement between the Parties to the contrary (whether express or implied), any Creditor Party may disclose to any person appointed by:

(a) that Creditor Party;

(a) a person to (or through) whom that Creditor Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent or Security Trustee under this Agreement; and/or

(b) a person with (or through) whom that Creditor Party enters into (or may potentially enter into) 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 Security Parties,

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 Clause if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for use with Administration/ Settlement Services Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Creditor Party.

26.20 **Entire agreement** Clauses 26.16 to 26.23 (inclusive) (*Confidentiality*) constitute the entire agreement between the Parties in relation to the obligations of the Creditor Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

26.21 **Inside information** Each of the Creditor Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Creditor Parties undertakes not to use any Confidential Information for any unlawful purpose.

26.22 **Notification of disclosure** Each of the Creditor Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

(a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (e) of Clause 26.17 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and

(a) upon becoming aware that Confidential Information has been disclosed in breach of Clauses 26.16 to 26.23 (inclusive) (*Confidentiality*).

26.23 **Continuing obligations** The obligations in Clause 26.16 to 26.23 (inclusive) (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Creditor Party for a period of twelve (12) months from the earlier of:

(a) the date on which all amounts payable by the Security Parties under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and

(b) the date on which such Creditor Party otherwise ceases to be a Creditor Party.

27 VARIATIONS AND WAIVERS

27.1 Variations, waivers etc. by Majority Lenders. Subject to Clause 27.2 *(Variations, waivers etc. requiring agreement of all Lenders)*, a document shall be effective to vary, waive, suspend or limit any provision of a Finance Document, or any Creditor Party's rights or remedies under such a provision or the general law, only if the document is signed, or specifically agreed to by letter or fax, by the Borrowers, by the Agent on behalf of the Majority Lenders, by the Agent and the Security Trustee in their own rights, and, if the document relates to a Finance Document to which a Security Party is party, by that Security Party.

27.2 Variations, waivers etc. requiring agreement of all Lenders. However, as regards the following, Clause 27.1 *(Variations, waivers etc. by Majority Lenders)* applies as if the words "by the Agent on behalf of the Majority Lenders" were replaced by the words "by or on behalf of every Lender":

(a) a change in the Margin or in the definition of LIBOR;

(b) a change to the date for, the amount of, any payment of principal, interest, fees, or other sum payable under this Agreement;

(c) a change to any Lender's Commitment;

(d) an extension of Availability Period;

(e) a change to the definition of "**Majority Lenders**" or "**Finance Documents**";

(f) a change to the preamble or to Clause 2 *(Facility)*, 2.2 *(Position of the Lenders)*, 4 *(Drawdown)*, 5.1 *(Payment of normal interest)*, 10.23 *(Sanctions)*, 11.23 *(Sanctions)*, 17 *(Application of Receipts)*, 18 *(Application of Earnings, Location of Accounts)* or 31 *(Law and Jurisdiction)*;

(g) a change to this Clause 27;

(h) any release of, or material variation to, a Security Interest, guarantee, indemnity or subordination arrangement set out in a Finance Document; and

(i) any other change or matter as regards which this Agreement or another Finance Document expressly provides that each Lender's consent is required.

27.3 Exclusion of other or implied variations. Except for a document which satisfies the requirements of Clauses 27.1*(Variations, waivers etc. by Majority Lenders)* and 27.2 *(Variations, waivers etc. requiring agreement of all Lenders)*, no document, and no act, course of conduct, failure or neglect to act, delay or acquiescence on the part of the Creditor Parties or any of them (or any person acting on behalf of any of them) shall result in the Creditor Parties or any of them (or any person acting on behalf of any of them) being taken to have varied, waived, suspended or limited, or being precluded (permanently or temporarily) from enforcing, relying on or exercising:

(a) a provision of this Agreement or another Finance Document; or

(b) an Event of Default; or

(c) a breach by a Borrower or a Security Party of an obligation under a Finance Document or the general law; or

(d) any right or remedy conferred by any Finance Document or by the general law;

and there shall not be implied into any Finance Document any term or condition requiring any such provision to be enforced, or such right or remedy to be exercised, within a certain or reasonable time.

27.4 **Co-operation on potential restructuring of facilities.** Provided the Lenders have provided their consent to the relevant tax enhancement structure (upon such terms as are acceptable to the Lenders), the Lenders will provide reasonable co-operation for such changes as are necessary (at the Borrowers' costs) relating to such tax enhancement transaction.

28 NOTICES

28.1 **General.** Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax or electronic message; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

28.2 **Addresses for communications.** A notice shall be sent:

(a)	to the Borrowers:	c/o Navios Maritime Partners L 7 Avenue de Grande Bretagne Office 11B2 Monte Carlo, MC 98000 Monaco Fax no: +377 97 98 21 41 Email: legal_corp@navios.com
(b)	to a Lender: or (as the case may require) in the relevant Transfer Certificate.	At the address below its name in Schedule 1
(c)	to the Agent and the Security Trustee	Gustav Mahlerlaan 10, 1082 PP Amsterdam The Netherlands Attn: Global Transportation & Logistics Fax no: +31 (0) 10 401 53 23 e-mail: angelina.christodoulou@gr.abnamro.com danai.kotsia@gr.abnamro.com

or to such other address as the relevant party may notify to the Agent or, if the relevant party is the Agent or the Security Trustee, the Borrowers, the Lenders and the Security Parties.

28.3 **Effective date of notices.** Subject to Clauses 28.4 *(Service outside business hours)* and 28.5 *(Illegible notices)*:

(a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered;

(b) a notice which is sent by fax or electronic message shall be deemed to be served, and shall take effect, 2 hours after its transmission is completed.

28.4 **Service outside business hours.** However, if under Clause 28.3 *(Effective date of notices)* a notice would be deemed to be served:

(a) on a day which is not a business day in the place of receipt; or

(b) on such a business day, but after 5 p.m. local time;

the notice shall (subject to Clause 28.5 *(Illegible notices)*) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a business day.

28.5 **Illegible notices.** Clauses 28.3 *(Effective date of notices)* and 28.4 *(Service outside business hours)* do not apply if the recipient of a notice notifies the sender within 1 hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

28.6 **Valid notices.** A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

(a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or

(b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

28.7 **English language.** Any notice under or in connection with a Finance Document shall be in English.

28.8 **Meaning of "notice".** In this Clause 28, "**notice**" includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

29 PARALELL DEBT

29.1 Parallel Debt

Notwithstanding any other provision of the Finance Documents, each Borrower hereby irrevocably and unconditionally undertakes to pay to the Security Trustee, as creditor in its own right and not as representative of the other Creditor Parties, sums equal to and in the currency of each amount payable by any Borrower and any Security Party to any Creditor Party under any Finance Document as and when that amount falls due for payment under the relevant Finance Document or would have fallen due but for any discharge resulting from failure of another Creditor Party to take appropriate steps, in insolvency proceedings affecting that Borrower, to preserve its entitlement to be paid that amount (the "**Parallel Debt**").

The Security Trustee shall have its own independent right to demand payment of the amounts payable by the Borrowers under this Clause 29.1, irrespective of any discharge of any Borrower's and/or any Security Party's obligation to pay those amounts to the other Creditor Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting that Borrower and/or any Security Party, to preserve their entitlement to be paid those amounts.

Any amount due and payable by any Borrower to the Security Trustee under this Clause 29.1 shall be decreased to the extent that the other Creditor Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Finance

Documents and any amount due and payable by any Borrower and/or a Security Party to the other Creditor Parties under those provisions shall be decreased to the extent the Security Trustee has received (and is able to retain) payment in full of the corresponding amount under this Clause 29.1.

The Borrowers and the Creditor Parties acknowledge that, in respect of the Parallel Debt, the Security Trustee acts in its own name and not as representative of the Creditor Parties or any of them.

30 SUPPLEMENTAL

30.1 Rights cumulative, non-exclusive. The rights and remedies which the Finance Documents give to each Creditor Party are:

(a) cumulative;

(b) may be exercised as often as appears expedient; and

(c) shall not, unless a Finance Document explicitly and specifically states so, be taken to exclude or limit any right or remedy conferred by any law.

30.2 Severability of provisions. If any provision of a Finance Document is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of that Finance Document or of the provisions of any other Finance Document.

30.3 Counterparts. A Finance Document may be executed in any number of counterparts.

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

31 LAW AND JURISDICTION

31.1 English law. This Agreement shall be governed by, and construed in accordance with, English law.

31.2 Exclusive English jurisdiction. Subject to Clause 31.3 *(Choice of forum for the exclusive benefit of the Creditor Parties)*, the courts of England shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.

31.3 Choice of forum for the exclusive benefit of the Creditor Parties. Clause 31.2 *(Exclusive English jurisdiction)* is for the exclusive benefit of the Creditor Parties, each of which reserves the right:

(a) to commence proceedings in relation to any matter which arises out of or in connection with this Agreement in the courts of any country other than England and which have or claim jurisdiction to that matter; and

(b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

No Borrower shall not commence any proceedings in any country other than England in relation to a matter which arises out of or in connection with this Agreement.

31.4 **Process agent.** Each Borrower irrevocably appoints Hill Dickinson Services (London) Ltd at present of Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with this Agreement.

31.5 **Creditor Party rights unaffected.** Nothing in this Clause 31 *(Law and Jurisdiction)* shall exclude or limit any right which any Creditor Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

31.6 **Meaning of "proceedings".** In this Clause 31, "**proceedings**" means proceedings of any kind, including an application for a provisional or protective measure.

32 BORROWERS' OBLIGATIONS

32.1 **Joint and several.** Regardless of any other provision in any of the Finance Documents, all obligations and liabilities whatsoever of the Borrowers herein contained are joint and several and shall be construed accordingly. Each of the Borrowers agrees and consents to be bound by the Finance Documents to which it becomes a party notwithstanding that any other Borrower may not do so or be effectually bound and notwithstanding that any of the Finance Documents may be invalid or unenforceable against any other Borrower, whether or not the deficiency is known to any Creditor Party.

32.2 **Borrowers as principal debtors**. Each Borrower acknowledges that it is a principal and original debtor in respect of all amounts which may become payable by the Borrowers in accordance with the terms of any of the Finance Documents and agrees that the Creditor Parties may continue to treat it as such, whether or not the Creditor Parties are or becomes aware that such Borrower is or has become a surety for another Borrower.

32.3 **Indemnity**. The Borrowers undertake to keep each Creditor Party fully indemnified on demand against all claims, damages, losses, costs and expenses arising from any failure of any Borrower to perform or discharge any purported obligation or liability of that Borrower which would have been the subject of this Agreement or any other Finance Document had it been valid and enforceable and which is not or ceases to be valid and enforceable against any other Borrower on any ground whatsoever, whether or not known to the Creditor Parties including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of any other Borrower (or any legal or other limitation, whether under the Limitation Acts or otherwise or any disability or death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding up, administration, receivership, amalgamation, reconstruction or any other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Security Party)).

32.4 **Liability unconditional**. None of the obligations or liabilities of the Borrowers under any Finance Document shall be discharged or reduced by reason of:

(a) the death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Borrower or any other person liable;

(b) any Creditor Party granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of, any Borrower or any other person liable or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting, varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any Borrower or any other person liable; or

(c) anything done or omitted which but for this provision might operate to exonerate the Borrowers or any of them.

32.5 **Recourse to other security**. No Creditor Parties shall be obliged to make any claim or demand or to resort to any security or other means of payment now or hereafter held by or available to them for enforcing any of the Finance Documents against any Borrower or any other person liable and no action taken or omitted by any Creditor Party in connection with any such security or other means of payment will discharge, reduce, prejudice or affect the liability of the Borrowers under the Finance Documents to which either of them is, or is to be, a party.

32.6 **Waiver of Borrowers' rights**. Each Borrower agrees with the Creditor Parties that, throughout the Facility Period, it will not, without the prior written consent of the Agent:

(a) exercise any right of subrogation, reimbursement and indemnity against any other Borrower or any other person liable under the Finance Documents;

(b) demand or accept repayment in whole or in part of any Indebtedness now or hereafter due to such Borrower from any other Borrower or from any other person liable for such Indebtedness or demand or accept any guarantee against financial loss or any document or instrument created or evidencing an Encumbrance in respect of the same or dispose of the same;

(c) take any steps to enforce any right against any other Borrower or any other person liable in respect of any such moneys; or

(d) claim any set-off or counterclaim against any other Borrower or any other person liable or claim or prove in competition with any Creditor Party in the liquidation of any other Borrower or any other person liable or have the benefit of, or share in, any payment from or composition with, any other Borrower or any other person liable or any security granted under any Finance Document now or hereafter held by any Creditor Party for any moneys owing under this Agreement or for the obligations or liabilities of any other person liable but so that, if so directed by the Agent, it will prove for the whole or any part of its claim in the liquidation of the other Borrower or other person liable on terms that the benefit of such proof and all money received by it in respect thereof shall be held on trust for the Creditor Parties and applied in or towards discharge of any moneys owing under this Agreement in such manner as the Agent shall require.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SIGNED by STRATIGOULA SAKELLARIOU	)	/s/ Stratigoula Sakellariou
for and on behalf of	)	
ESMERALDA SHIPPING CORPORATION	)	
in the presence of: Maria Trivela	)	/s/ Maria Trivela
SIGNED by STRATIGOULA SAKELLARIOU	)	/s/ Stratigoula Sakellariou
for and on behalf of	)	
PROTEUS SHIPTRADESA	)	
in the presence of: Maria Trivela	)	/s/ Maria Trivela
SIGNED by STRATIGOULA SAKELLARIOU	)	/s/ Stratigoula Sakellariou
for and on behalf of	)	
TRIANGLE SHIPPING CORPORATION	)	
in the presence of: Maria Trivela	)	/s/ Maria Trivela
SIGNED by ROBIN PARRY	)	/s/ Robin Parry
for and on behalf of	)	
ABN AMRO BANK N.V. as Agent and	)	
Security Trustee	)	
in the presence of: DIMITRA KANTARTZI	)	/s/ Dimitra Kantartzi

Ince
Akti Miaouli 47-49
Piraeus 18536 Greece

SIGNED by ROBIN PARRY	)	/s/ Robin Parry
for and on behalf of	)	
ABN AMRO BANK N.V.	)	
as a Lender	)	
in the presence of: DIMITRA KANTARTZI	)	/s/ Dimitra Kantartzi

Ince
Akti Miaouli 47-49
Piraeus 18536 Greece

'BARECON 2001" STANDARD BAREBOAT CHARTER PART 1

1. Shipbroker

ITOCHU CORPORATION
TOKBM 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
In Nantong, China

18th June, 2021

3. Owners / Place of business (Cl. 1)

MI-DAS LINE S.A.
Vallarino Building, 3rd Floor, Fifty Second(52) And Elvira Mendez Street, Panama, Republic of Panama

4. Bareboat Charterers / Place of business (Cl. 1)

Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands

5. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3)

M/V NAVIOS BONAVIS, 3FIS4, Panama, 9446996

6. Type of Vessel

Bulk Carrier

7. GT / NT

8. When / Where built

9. Total DWT (abt.) in metric tons on ~~summer freeboard~~

10. Classification Society (Cl. 3)

11. Date of last special survey by the Vessel's classification society

12.

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. In case of calling to sanctioned area, Charterers shall submit prior written notice to the Owners and have to obtain prior written consents by the Owners, and in case of calling / passing war risks area, Charterers will make reasonable commercial efforts to submit prior notification to the Owners

Any other country designated pursuant to any international including U.N. / U.S. / EU / U.K. / Japan 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)

years with up to [3 months] more or less in Charterers' option

(See Clause 34)

22. Charter hire (Cl. 11)

See Clause 35

23. New class and other statutory requirements (state percentage of Vessel's insurance value acc. to Box 29 (Cl. 10(a)(ii))

N/A

24. Rate of interest payable acc. to Cl.11(f) and, if applicable, acc. to PART IV

5%

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)

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)

N/A

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 56 inclusive

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)
MI-DAS LINE S.A.

/s/ Genji Ohkouchi
By: Genji Ohkouchi
Title: Attorney-in-fact

Signature (Charterers)

/s/ Shunji Sasada
By: Shunji Sasada
Title: Attorney-in-fact

PART II
"BARECON 2001" Standard Bareboat Charter

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3; *"The Charterers"* shall mean the party identified in Box 4; *"The Vessel"* shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12;

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

"MOA" means the Memorandum of Agreement entered into between the Owners as buyers and the Charterers as Sellers dated 18th June 2021 in respect of the Vessel.

"Banking Days" shall mean the days identified in Cl.36 (b)

"Total Loss" shall mean the situation identified in Cl.40 (a)

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (the "Charter Period").

3. Delivery Also See Clause 32

The Vessel shall be delivered and taken over by the Charterers as per Clause 32.

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.~~

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 ~~in such ready safe berth as the Charterers may direct~~.

(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 ~~and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.~~

~~(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery See Clause 32

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery.~~

~~The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.~~

5. Cancelling

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. ~~This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.~~

7. Surveys on Delivery ~~and Redelivery~~

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

The Owners and Charterers **have the right of** ~~shall each~~ appoint**ing** surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of **delivery.**~~redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~

8. Inspection

The Owners shall have the right **maximum twice per year**~~at any time~~ after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:- **provided it does not interfere with the operation of the Vessel and/or crew**

(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners. ~~unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;~~

~~(b) in dry-dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and~~

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(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 twice per year** ~~whenever **reasonably** requested~~ and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel. The Charterers shall furnish the Owners with full inspection report once a year upon Owners' request.

9. Inventories, Oil and Stores SEE CLAUSE 52

~~A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.~~ **SEE ALSO CLAUSE 32, AND CLAUSE 46**

10. Maintenance and Operation

(a)(i) Maintenance and Repairs - During the Charter period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect.

The Charterers shall **exercise due diligence to** maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and 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 repainting, 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

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) **in Charterers' standard form as the Owners *have received, reviewed and* ~~shall in writing~~approve*d*, which approval shall not be unreasonably withheld.**in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. ~~Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.~~

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.

~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~

(c) The Charterers shall upon the request of the Owners provide information and promptly execute such documents as may be **reasonably** required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this clause~~. **SEE CLAUSE 40**

(e) The Owners shall, upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

~~(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.~~ **SEE CLAUSE 40**

14. Insurance, Repairs and Classification N/A

(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).

~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expenses against hull and machinery and war risks under the form of policy or~~

policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.

(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.

(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14 (a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.

(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.

(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

15. Redelivery ALSO SEE CLAUSE 46

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe **berth or anchorage at a safe** and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus **5** per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of the Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in **substantially** the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien ALSO SEE CLAUSE 47

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

'This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.'

17. Indemnity ALSO SEE CLAUSE 53

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

(b) If the Vessel be arrested or otherwise detained by reason of a 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.~~

23. Contracts of Carriage

***)** (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

~~***)**~~ ~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

***)** *Delete as applicable.*

24. Bank Guarantee

(Optional, only to apply if Box 27 filled in)

~~The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.~~

25. Requisition/Acquisition ALSO SEE CLAUSE 40 (a)/(b)

(a) In the event of the requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to a "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the 'Requisition for Hire' whichever be the shorter.

(b) Notwithstanding the provisions of clause 25 (a), in the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority**, which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title** (hereinafter referred to as 'Compulsory Acquisition'), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur~~,~~ this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event charter hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition"**, but not thenafter**.

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~~ **notification to the Owners as Box 20** and**-written confirmation for covering war risk insurance by underwriter** be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous or is likely to be or to become dangerous, after the entry into it, the Owners shall have the right to require the Vessel to leave such area.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

~~(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified~~

by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

(e) The Charterers shall have the liberty:

(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever which are given by the government of the nation under whose flag the vessel sails, or any other government, body or group whatsoever acting with the power to compel compliance with their orders or directions'

(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;

(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching and entering it at a near open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.

27. Commission

The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.

If the full hire is not paid owing to breach of the Charter by either of the parties, the party liable therefore shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.

28. Termination

(a) Charterer's Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;

(ii) the Charterers fail to comply with the requirements of:

(1) Clause 6 (Trading Restrictions)

(2) Clause 13(a) (Insurance and Repairs) provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced. **SEE CLAUSE 41 & 42**

(b) Owners' Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred. **SEE CLAUSE 40 (d)/(e)**

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangements or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised represent-ative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the

~~Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.~~

30. Dispute Resolution

***)** (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

~~***)** (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be 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 50

~~(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.~~

~~(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

OPTIONAL PART

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(e)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery – SEE CLAUSE 33

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract, the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of the Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Sellers Owners under the Shipbuilding Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Sellers, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders; **SEE CLAUSE 33**

(iv) if this Charter terminates under sub-clause (b) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this

Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

3. Guarantee Works – SEE CLAUSE 32

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the Shipbuilding building Contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. Name of Vessel – SEE CLAUSE 44

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. Survey on Redelivery – SEE CLAUSE 46

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery. Without prejudice to Clause 15 (PART II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

PART IV
HIRE/PURCHASE AGREEMENT
(Optional, only to apply if expressly agreed and stated in Box 42)

OPTIONAL PART

On expiration of this Charter and provided the Charterers have fulfilled their obligations according to PART I and II as well as PART III, if applicable, it is agreed that on payment of the final payment of hire as per Clause 11 the Charterers have purchased the Vessel with everything belonging to her and the Vessel is fully paid for.

In the following paragraphs the Owners are referred to as the Sellers and the Charterers as the Buyers.

The Vessel shall be delivered by the Sellers and taken over by the Buyers on expiration of the Charter.

The Sellers guarantee that the Vessel, at the time of delivery, is free from all encumbrances and maritime liens or any debts whatsoever other than those arising from anything done or not done by the Buyers or any existing mortgage agreed not to be paid off by the time of delivery. Should any claims, which have been incurred prior to the time of delivery, be made against the Vessel, the Sellers hereby undertake to indemnify the Buyers against all consequences of such claims to the extent it can be proved that the Sellers are responsible for such claims. Any taxes, notarial, consular and other charges and expense connected with the purchase and registration under Buyers' flag shall be for Buyers' account. Any taxes, consular and other charges and expenses connected with closing of the Sellers' register shall be for Sellers' account.

In exchange for payment of the last month's hire instalment the Sellers shall furnish the Buyers with a Bill of Sale duly attested and legalised, together with a certificate setting out the registered encumbrances, if any. On delivery of the Vessel the Sellers shall provide for deletion of the Vessel from the Ship's Register and deliver a certificate of deletion to the Buyers.

The Sellers shall, at the time of delivery, hand to the Buyers all classification certificates (for hull, engines, anchors, chains, etc) as well as all plans which may be in Sellers' possession.

The wireless installation and nautical instruments, unless on hire, shall be included in the sale without any extra payment.

The Vessel with everything belonging to her shall be at Sellers' risk and expense until she is delivered to the Buyers, subject to the conditions of this Contract, and the Vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for possible faults or deficiencies of any description.

The Buyers undertake to pay for the repatriation of the Master, officers, and other personnel if appointed by the Sellers to the port where the Vessel entered the Bareboat Charter as per Clause 3 (PART II) or to pay the equivalent cost of their journey to any other place.

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

OPTIONAL PART

(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 18th June, 2021 (this "Charter") by

MI-DAS LINE S.A. as owner (the "Owners") and

[ ] as charterer (the "Charterers")

in respect of MV "Navios XX" (the "Vessel")

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA.

(b) The Owners warrant that the Vessel, at time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, other than (i) those incurred prior to the delivery of the Vessel hereunder, (ii) this Charter and (iii) the mortgage over the Vessel, assignment of insurance in respect of the Vessel and the assignment of the charter hires in respect hereof in favour of the Mortgagee.

(c) The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel's condition at the time of delivery, and expressly agree that the Vessel's condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under this Charter strictly "as is/where is", and the Charterers shall waive any and all claims against the Owners under this Charter on account of any conditions, seaworthiness, representations, warranties expressed or implied in respect of the Vessel (including but not limited to any bunkers, oils, spare parts and other items whatsoever) on delivery.

33. ISM CODE

During the currency of this Charter the Charterers shall procure at the costs and expenses and time of the Charterers that the Vessel and the "company" (as defined by the ISM code) shall comply with the requirements of the ISM code. Upon request the Charterers shall provide

a copy of relevant documents of compliance (DOC) and safety management certificate (SMC) to the Owners. For the avoidance of any doubt any loss, damage, expense or delay caused by the failure on the part of the "Company" to comply with the ISM code shall be for the Charterers' account.

34. CHARTER PERIOD

(a) The Owners shall let to the Charterers and the Charterers shall take the Vessel on charter for the period and upon the terms and conditions contained herein.

(b) Subject always to the provisions hereto, the period of the chartering of the Vessel hereunder (hereinafter referred to as the "**Charter Period**") shall comprise (unless terminated at an earlier date in accordance with the terms hereof) a charter period of Six (6) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the "Delivery Date") with up to three (3) months more or less in the Charterers' option, provided always that the chartering of the Vessel hereunder may be terminated by the Owners pursuant to Clause 41 or shall terminate in the event of the Total Loss or Compulsory Acquisition of the Vessel subject to, and in accordance with provisions of Clause 40.

35. CHARTER HIRE

The Charterers shall, throughout the Charter Period, pay charter hire ("**Charter Hire**") to the Owners monthly in advance at the agreed following rate by telegraphic transfer for each successive period of a month commencing with the Delivery Date and with subsequent installments at monthly intervals after the date of payment of such first installment by and until the redelivery of the Vessel. Time is of the essence for payment of the Charter Hire under this Charter.

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 hire payment date is National holiday in Japan, Piraeus/Greece, London and New York, hire to be paid one day prior to that date. Full amount of hire shall be available in Owner's nominated account on a monthly basis by the due date.

(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 5%. 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 a 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 with Charterers prior consent. 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 Lloyd's Register (LR) to any other classification society at least equivalent to LR.

(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) (i) Registration and maintenance of the Vessel's ownership of the Owner under Panamanian flag, including arrangement of certificate of registry, mortgage, radio station license, Panamanian CSR, deletion (or deregistration) of the Vessel; and (ii) discharging of the mortgage from the flag country (in case of purchase)

The (i) and (ii) shall be done jointly by the Owners and the Charterers and all costs in relation thereto except for mortgage registration is for the account of the Charterers. Cost of mortgage registration shall be equally borne by Owners and Charterers. Also, all other documentation and works required due to flag, including change of DOC/SMC/ISSC/MLC, agent fee, class certificates, change of country name on hull, change of radio and navigational aids registration, Annual Tonnage Tax of the flag country throughout the Charter period shall be for the Charterers' time and cost.

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 Charterer'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;

(iii) The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-

(a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any mortgagee (the "Assignee"):

Until such time as the Assignee shall have notified the insurers to the contrary:

(i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);

(ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

(iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US$500,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.

(b) During any periods when the Vessel is not mortgaged:

(i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);

(ii) All other recoveries not exceeding United States Dollars One million (US$1,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

(iii) All other recoveries exceeding United States Dollars One million (US$1,000,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever, subject to the fulfillment of the provisions of Clause 44;

and the Owners and Charterers agree to be bound by the above provisions.

(iv) the Charterers shall procure that duplicates of all cover notes, policies and certificates of entry shall be furnished to the Owners for their custody;

(v) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall

(A) furnish the Owners with a letter or letters of undertaking in relevant underwriter's standard form and in accordance with the underwriters' rules.

(B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require: and

(vi) the Charterers shall use all reasonable efforts to procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners not less than 10 business days 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

(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) USD15.4Mil for day 1 and to be reduced by US$ 137,500.- per month as at the Date of Loss, and

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

(f) The Charterers and the Mortgagee shall execute the "Assignment of Insurances" of which contents and wording shall be mutually agreed between the Owners and the Charterers.

41. 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 three (3) 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) 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) USD15.4Mil for day 1 and to be reduced by US$ 137,500.- per month (the "Owners Termination Balance")at any given time always taking into account any charterhire paid during the year to which the specified Owners Termination Balance relates **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Owners Termination Balance , 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 Owners Termination Balance as at the date of such sale.

43. NAME

The Charterers shall, subject only to prior notification to the relevant authorities of the jurisdiction in which for the time being the Vessel is registered, be entitled from time to time to change the name of the Vessel.

During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and installment shall be at Charterers' expense and time. The Charterer shall also have the liberty to change the name of the Vessel during the Charter Period at the expense and time of the Charterers (including the legal charge for finance documents for the Mortgagee, if any).

The Owners shall have no right to change the name of the Vessel during the Charter Period.

44. MORTGAGE and ASSIGNMENT

The Owners confirm that they are familiar with the terms of the assignment of insurances made or to be made by the Charterers in favour or the Mortgagee, and they agree to the terms thereof and will do nothing that conflicts therewith, excepting that the Owners shall be entitled to assign its rights, title and interest in and to this Charter to the Mortgagee or its assignee. Neither party shall assign its right or obligations or part of thereof to any third party without the written consent of the other.

In respect of the Vessel the Owners undertake not to borrow more than the respective purchase option prices as set out at the relevant milestone in Clause 48 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 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 at Charterers time and expense. 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 52 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

The Clause shall not apply if the Charterers exercise their purchase option as set out in clause 48 and Charterers Default as set out in Clause 41 is occurred.

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 MI-DAS LINE S.A. and is subject to a first preferred mortgage in favour of 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. CHARTERERS' OPTION TO PURCHASE VESSEL

1. Charterers to have purchase option at the end of 6th Year of the Charter Period at a price of USD5,000,000.- (the "**Purchase Option Price**") subject to Charterers declaration.

2. Immediately prior to delivery of the Vessel by the Owners to the Charterers under the PO MOA (as defined in Clause 48.3) 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.

3. 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**").

49. MISCELLANEOUS

(a) The terms and conditions of this Charter and the respective rights of the Owners and the Charterers shall not be waived or varied otherwise than by an instrument in writing of the same date as or subsequent to this Charter executed by both parties or by their duly authorized representatives.

(b) Unless otherwise provided in this Charter whether expressly or by implication, time shall be of the essence in relation to the performance by the Charterers of each and every one of their obligations hereunder.

(c) No failure or delay on the part of the Owners or the Charterers in exercising any power, right or remedy hereunder or in relation to the Vessel shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right or power or the exercise of any other right, power or remedy.

(d) If any terms or condition of this Charter shall to any extent be illegal invalid or unenforceable the remainder of this Charter shall not be affected thereby and all other terms and condition shall be legal valid and enforceable to the fullest extent permitted by law.

(e) The respective rights and remedies conferred on the Owners and the Charterers by this Charter are cumulative, may be exercised as often as the Owners or the Charterers (as the case may be) think fit and are in addition to, and are not exclusive of, any rights and remedies provided by law.

50. COMMUNICATIONS

Except as otherwise provided for in this Charter, all notices or other communications under or in respect of this Charter to either party hereto shall be in writing and shall be made or given to such party at the address, facsimile number or e-mail address appearing below (or at such other address, facsimile number or e-mail address as such party may hereafter specify for such purposes to the other by notice in writing):-

(i) in the case of the Owners c/o Doun Kisen Co., Ltd.

Address : 1307-8, Koh Goh, Namikata-cho, Imabari City, Ehime Prefecture, 799-2110, Japan
Telephone : +81-898-43-7733
Telefax : +81-898-41-6011
E-mail : sale-purchase@doun.co.jp

(ii) in the case of the Charterers c/o Navios Shipmanagement Inc.

Address : 85 Akti Miaouli Street, 18538, Piraeus, Greece
Telephone : 30-210-4595000
E-mail : ops@navios.com, legal@navios.com
tech@navios.com, legal_corp@navios.com

(iii) in the case of the Brokers c/o ITOCHU Corporation

Address : TOKBR Section, 5-1, Kiya-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077 Japan
Telephone : 81-3-3497-2939
Telefax : 81-3-3497-7111
E-mail : tokbr@itochu.co.jp

A written notice includes a notice by facsimile or e-mail. A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

Subject always to the foregoing sentence, any communication by personal delivery or letter shall be deemed to be received on delivery, any communication by e-mail shall be deemed to be received upon transmission of the automatic answerback of the addresses and any communication by facsimile shall be deemed to be received upon appropriate acknowledgment by the addressee's receiving equipment.

All communications and documents delivered pursuant to or otherwise relating to this Charter shall either be in English or accompanied by a certified English translation.

51. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risks as defined in Clause 26 with prior notification to the Owners as Box 20provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

52. INVENTORIES, OIL AND STORES

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel.

The Owners shall at the time of redelivery take over and pay for all bunkers and lubricating oil 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.

53. 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.

54. 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.

55. ANTI-BRIBERY AND ANTI-CORRUPTION

The Charterers and the Owners hereby agree that in connection with this Contract and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contactors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.

56. Ownership Change

The Owners are entitled to transfer the ownership of the Vessel to its affiliates any entity which is directly or indirectly wholly-owned by the Okochi Family by delivering a notice to the Charterers, which is subject to Charterers' prior approval and Owners performance shall be also guaranteed by the Doun Kisen Co., Ltd.

(end)

MEMORANDUM OF AGREEMENT

Norwegian Shipbrokers' Association's Memorandum of Agreement for sale and purchase of ships. Adopted by BIMCO in 1956. Code-name **SALEFORM 2012** Revised 1966, 1983 and 1986/87, 1993 and 2012

Dated: May 2021

[ ] of Marshall Islands whose performance shall be guaranteed by Navios Maritime Partners LP, hereinafter called the "Sellers", have agreed to sell,

and

XXXXXXXX whose performance shall be guaranteed by Doun Kisen Co., Ltd., hereinafter called the "Buyers", have agreed to buy:

Name of vessel: M/V Navios [ ]

IMO Number: [ ]

Classification Society: Lloyd's Register

[ ]

Total DWT : [ ]

Year of Build: [ ]

Flag: Panama [ ]

hereinafter called the "Vessel", on the following terms and conditions:

Definitions

"Banking Days" are days (*other than a Saturday and Sunday*) on which banks are open ~~both~~ in all of *Tokyo, Piraeus/Greece, London and New York* ~~the country of the currency stipulated for the Purchase Price in~~ Clause 1 ~~(Purchase Price)~~ and in the place of closing stipulated in Clause 8 (Documentation) and _____ (*add additional jurisdictions as appropriate)*.

~~"Buyers' Nominated Flag State" means (*state flag state).*~~

"BBCP" means a bareboat Charter Party dated [ ] agreed between the Sellers as the charterers and the Buyers as the owners in respect of the Vessel, which includes any addendum thereto.

"Charterers" means the Sellers who are the bareboat charterer under the BBCP.

"Owners" means the Buyers who are the owner under the BBCP.

"Class" means the class notation referred to above.

"Classification Society" means the Society referred to above.

~~"Deposit" shall have the meaning given in~~ Clause 2 ~~(Deposit)~~

~~"Deposit Holder" means _____ *(state name and location of Deposit Holder)* or, if left blank, the Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.~~

"In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a registered letter, e-mail or telefax.

"Parties" means the Sellers and the Buyers.

"Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).

"Sellers' Account" means *an account held with Sellers' Bank* ~~(state details of bank account)~~ at the Sellers' Bank *notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price*.

"Sellers' Bank" means *such banks or banks* ~~(*state name of bank, branch and details*) or, if left blank, the bank~~ notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price**.**

1. Purchase Price

The Purchase Price is USD [ ] ~~(*state currency and amount both in words and figures*).~~

2. ~~Deposit~~

~~As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of __% (__per cent) or, if left blank, 10% (ten per cent), of the Purchase Price (the "Deposit") in an interest bearing account for the Parties with the Deposit Holder within three (3) Banking Days after the date that:~~

(i) ~~this Agreement has been signed by the Parties and exchanged in original or by e-mail or telefax; and~~

(ii) ~~the Deposit Holder has confirmed in writing to the Parties that the account has been opened~~.

~~The Deposit shall be released in accordance with joint written instructions of the Parties. Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder all necessary documentation to open and maintain the account without delay.~~

3. Payment

~~On delivery of the Vessel, but not later than three (3) Banking Days after the date that Notice of Readiness has been given in accordance with Clause 5 (Time and place of delivery and notices):~~

(i) ~~the Deposit shall be released to the Sellers; and~~

(ii) ~~the balance of the~~ Purchase Price and all other sums payable on delivery by the Buyers to the Sellers under this Agreement shall be ~~paid~~ *remitted* in full free of bank charges to ~~the~~ *a suspense account with* Sellers' ~~Account~~ *Bank and held to Buyers' order at least three (3) Banking Days prior to the expected time of delivery of the Vessel in order for the Sellers' Bank to confirm that the Purchase Price is in the Sellers' Bank before the expected delivery date. Buyers' remittance to such account shall be accompanied by a SWIFT (MT199) message to confirm that the Purchase Price is to be released to Sellers upon presentation of a copy of the Protocol of Delivery and Acceptance duly signed by the authorized signatories of both the Sellers and the Buyers, including that the Sellers' Bank shall return such funds in full without any deductions if delivery has for any reason not taken place within Five (5) Banking Days from the date of transfer to the Sellers' Bank.*

4. Inspection

The Buyers have waived their rights to inspect the Vessel and have accepted the Vessel as is where is, subject to Clause 11 hereof. Instead of such inspections, the Buyers have received copies of colour photos of the Vessel from the Sellers. The Buyers have also inspected the Vessel's class records. Therefore the sale is outright and definite subject only to the terms and conditions of this Agreement and of the BBCP.

~~**(a)*** The Buyers have inspected and accepted the Vessel's classification records. The Buyers have also inspected the Vessel at/in_____(*state place*) on_____(*state date*) and have accepted the Vessel following this inspection and the sale is outright and definite, subject only to the terms and conditions of this Agreement.~~

~~**(b)*** The Buyers shall have the right to inspect the Vessel's classification records and declare whether same are accepted or not within_____(*state date/period*).~~

~~The Sellers shall make the Vessel available for inspection at/in_____(*state place/range*) within (*state date/period*).~~

~~The Buyers shall undertake the inspection without undue delay to the Vessel. Should the Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred.~~

~~The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.~~

~~During the inspection, the Vessel's deck and engine log books shall be made available for examination by the Buyers.~~

~~The sale shall become outright and definite, subject only to the terms and conditions of this Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from the Buyers within seventy-two (72) hours after completion of such inspection or after the date/last day of the period stated in Line 59, whichever is earlier.~~

~~Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of the Vessel's classification records and/or of the Vessel not be received by the Sellers as aforesaid, the Deposit together with interest earned, if any, shall be released immediately to the Buyers, whereafter this Agreement shall be null and void.~~

~~**** *4(a)* and *4(b)* are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 4(a) shall apply.~~

5. Time and place of delivery and notices

(a) The Vessel shall be delivered and taken over ~~safely afloat at a safe and accessible berth or anchorage at~~/in *worldwide* ~~*(state place/range)*~~ in the Sellers' option. ~~Notice of Readiness shall not be tendered before: _____ (*date*)~~

Cancelling Date (see Clauses 5(c), ~~6 (a)(i),~~ 6 (a) (iii) and 14): *the date which is the earlier of (a)* 30th June, *2021 or (b) such other date as the Buyers and Sellers may agree.*

(b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall provide the Buyers with ~~twenty (20) ten (10), and five (5) and~~ three (3) *approximate* days' notice *and 1 day definite notice* of the date ~~the Sellers intend to tender Notice of Readiness and of the intended place~~ of delivery.

~~When the Vessel is at the place of delivery and physically ready for delivery in accordance with this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.~~

(c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing stating the date when they anticipate that the Vessel will be ready for delivery and proposing a new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3) Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date. If the Buyers have not declared their option within three (3) Banking Days of receipt of the Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers' notification shall be deemed to be the new Cancelling Date and shall be substituted for the Cancelling Date stipulated in line 79.

If this Agreement is maintained with the new Cancelling Date all other terms and conditions hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full force and effect.

(d) Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers' Default) for the Vessel not being ready by the original Cancelling Date.

(e) Should the Vessel become an actual, constructive or compromised total loss before delivery ~~the Deposit together with interest earned, if any, shall be released immediately to the Buyers~~ ~~whereafter~~ this Agreement shall be null and void.

6. Divers Inspection / Drydocking

~~**(a)***~~

~~**(i)** The Buyers shall have the option at their cost and expense to arrange for an underwater inspection by a diver approved by the Classification Society prior to the delivery of the Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement. The Sellers shall at their cost and expense make the Vessel available for such inspection. This inspection shall be carried out without undue delay and in the presence of a Classification Society surveyor arranged for by the Sellers and paid for by the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's inspection as observer(s) only without interfering with the work or decisions of the Classification Society surveyor. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society. If the conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at their cost and expense make the Vessel available at a suitable alternative place near to the delivery port, in which event the Cancelling Date shall be extended by the additional time required for such positioning and the subsequent re-positioning. The Sellers may not tender Notice of Readiness prior to completion of the underwater inspection.~~

~~**(ii)** If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, then (1) unless repairs can be carried out afloat to the satisfaction of the Classification Society, the Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules (2) such defects shall be made good by the Sellers at their cost and expense to the satisfaction of the Classification Society without condition/recommendation** and (3) the Sellers shall pay for the underwater inspection and the Classification Society's attendance.~~

Notwithstanding anything to the contrary in this Agreement, if the Classification Society do not require the aforementioned defects to be rectified before the next class drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects against a deduction from the Purchase Price of the estimated direct cost (of labour and materials) of carrying out the repairs to the satisfaction of the Classification Society, whereafter the Buyers shall have no further rights whatsoever in respect of the defects

and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for the repair work obtained from two reputable independent shipyards at or in the vicinity of the port of delivery, one to be obtained by each of the Parties within two (2) Banking Days from the date of the imposition of the condition/recommendation, unless the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within the stipulated time then the quote duly obtained by the other Party shall be the sole basis for the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness prior to such estimate having been established.

(iii) If the Vessel is to be drydocked pursuant to Clause 6(a)(ii) and no suitable dry-docking facilities are available at the port of delivery, the Sellers shall take the Vessel to a port where suitable drydocking facilities are available, whether within or outside the delivery range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose of this Clause, become the new port of delivery. In such event the Cancelling Date shall be extended by the additional time required for the drydocking and extra steaming, but limited to a maximum of fourteen (14) days.

(b)* The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules. If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, such defects shall be made good at the Sellers' cost and expense to the satisfaction of the Classification Society without condition/recommendation**. In such event the Sellers are also to pay for the costs and expenses in connection with putting the Vessel in and taking her out of drydock, including the drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs and expenses if parts of the tailshaft system are condemned or found defective or broken so as to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and expenses, dues and fees.

(c) If the Vessel is drydocked pursuant to Clause 6 (a)(ii) or 6 (b) above:

(i) The Classification Society may require survey of the tailshaft system, the extent of the survey being to the satisfaction of the Classification surveyor. If such survey is not required by the Classification Society, the Buyers shall have the option to require the tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey being in accordance with the Classification Society's rules for tailshaft survey and consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare whether they require the tailshaft to be drawn and surveyed not later than by the completion of the inspection by the Classification Society. The drawing and refitting of the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be condemned or found defective so as to affect the Vessel's class, those parts shall be renewed or made good at the Sellers' cost and expense to the satisfaction of Classification Society without condition/recommendation**.

(ii) The costs and expenses relating to the survey of the tailshaft system shall be borne by the Buyers unless the Classification Society requires such survey to be carried out or if parts of the system are condemned or found defective or broken so as to affect the Vessel's class, in which case the Sellers shall pay these costs and expenses.

(iii) The Buyers' representative(s) shall have the right to be present in the drydock, as observer(s) only without interfering with the work or decisions of the Classification Society surveyor.

(iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned and painted at their risk, cost and expense without interfering with the Sellers' or the Classification Society surveyor's work, if any, and without affecting the Vessel's timely delivery. If, however, the Buyers' work in drydock is still in progress when the Sellers have completed the work which the Sellers are required to do, the additional

docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and expense. In the event that the Buyers' work requires such additional time, the Sellers may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in drydock or not.

*6 (a) and 6 (b) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 6 (a) shall apply.

**Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.

7. Spares, bunkers and other items

The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore. 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 ~~inspection~~ *delivery* used or unused, whether on board or not shall become the Buyers' property~~, but spares on order are excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers are not required to replace spare parts including spare tail-end shaft(s) and spare propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to delivery, but the replaced items shall be the property of the Buyers. Unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.~~

~~Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's personal belongings including the slop chest are excluded from the sale without compensation, as well as the following additional items:_____(include list)~~

~~Items on board which are on hire or owned by third parties, listed as follows, are excluded from the sale without compensation:_____(include list)~~

Items on board at the time of ~~inspection~~ *delivery* which are on hire or owned by third parties, not listed above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.

Any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums shall remain the property of the Sellers.

~~The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and pay either:~~

~~**(a)** *the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or~~

~~**(b)** *the current net market price (excluding barging expenses) at the port and date of delivery of the Vessel or, if unavailable, at the nearest bunkering port,~~

~~for the quantities taken over.~~

~~Payment under this Clause shall be made at the same time and place and in the same currency as the Purchase Price.~~

~~"inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.~~

~~*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions alternative (a) shall apply.~~

8. Documentation

The place of closing: **Imabari or Tokyo, Japan or Piraeus, Greece**

In exchange for payment of the Purchase Price the Seller shall furnish the Buyers with delivery documents reasonably required by the Buyers. There documents shall be listed in an addendum hereto, namely "Addendum no.1: List of delivery documents"

~~**(a)** In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the following delivery documents:~~

~~**(i)** Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State, transferring title of the Vessel and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever, duly notarially attested and legalised or apostilled, as required by the Buyers' Nominated Flag State;~~

(ii) Evidence that all necessary corporate, shareholder and other action has been taken by the Sellers to authorise the execution, delivery and performance of this Agreement;

(iii) Power of Attorney of the Sellers appointing one or more representatives to act on behalf of the Sellers in the performance of this Agreement, duly notarially attested and legalized or apostilled (as appropriate);

(iv) Certificate or Transcript of Registry issued by the competent authorities of the flag state on the date of delivery evidencing the Sellers' ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by such authority to the closing meeting with the original to be sent to the Buyers as soon as possible after delivery of the Vessel;

(v) Declaration of Class or (depending on the Classification Society) a Class Maintenance Certificate issued within three (3) Banking Days prior to delivery confirming that the Vessel is in Class free of condition/recommendation;

(vi) Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that the registry does not as a matter of practice issue such documentation immediately, a written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith and provide a certificate or other official evidence of deletion to the Buyers promptly and latest within four (4) weeks after the Purchase Price has been paid and the Vessel has been delivered;

(vii) A copy of the Vessel's Continuous Synopsis Record certifying the date on which the Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry does not as a matter of practice issue such certificate immediately, a written undertaking from the Sellers to provide the copy of this certificate promptly upon it being issued together with evidence of submission by the Sellers of a duly executed Form 2 stating the date on which the Vessel shall cease to be registered with the Vessel's registry;

(viii) Commercial Invoice for the Vessel;

(ix) Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;

(x) A copy of the Sellers' letter to their satellite communication provider cancelling the Vessel's communications contract which is to be sent immediately after delivery of the Vessel;

(xi) Any additional documents as may reasonably be required by the competent authorities of the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the Buyers notify the Sellers of any such documents as soon as possible after the date of this Agreement; and

(xii) The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

(b) At the time of delivery the Buyers shall provide the Sellers with:

(i) Evidence that all necessary corporate, shareholder and other action has been taken by the Buyers to authorise the execution, delivery and performance of this Agreement; and

(ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf of the Buyers in the performance of this Agreement, duly notarially attested and legalized or apostilled (as appropriate).

(c) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English language they shall be accompanied by an English translation by an authorised translator or certified by a lawyer qualified to practice in the country of the translated language.

(d) The Parties shall to the extent possible exchange copies, drafts or samples of the documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the other party not later than _____ (*state number of days),* or if left blank, nine (9) days prior to the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement.

(e) Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above, the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,

drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the Sellers are required to retain same, in which case the Buyers have the right to take copies.

(f) Other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's log books but the Buyers have the right to take copies of same.

(g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

9. Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages, claims 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.

10. Taxes, fees and expenses

Any taxes, fees and expenses in connection with the purchase and registration in Panama the Buyers' Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.

11. Condition on delivery

See also additional Clause 19 (Delivery under BBCP)

The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be delivered and taken over *"*as *is where is"* she was *but substantially in the same condition with the class status* at the time of inspection *of Vessel's class survey report on December 29th, 2020.*, fair, wear and tear excepted. However, the Vessel shall be delivered free of cargo and free of stowaways with her Class maintained without condition/recommendation*, free of average damage affecting the Vessel's class, and with her classification certificates and national certificates, as well as all other certificates the Vessel had at the time of inspection, valid and unextended without condition/recommendation* by the Classification Society or the relevant authorities at the time of delivery.

"inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspections), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.

**Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.*

12. Name/markings

Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel markings.

13. Buyers' default

Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the right to cancel this Agreement, and they shall be entitled to claim compensation for their losses and for all expenses incurred together with interest.

Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers have the right to cancel this Agreement, in which case the Deposit together with interest earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the Sellers shall be entitled to *and* claim further compensation for their losses and for all *reasonable* expenses incurred together with interest.

14. Sellers' default

Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be ready to validly complete a legal transfer by the Cancelling Date, the Buyers shall have the option of cancelling this Agreement *and*. If after Notice of Readiness has been given but before the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancelling Date and new Notice of Readiness given, the Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this Agreement, the Deposit together with interest earned, if any, shall be released to them immediately.

Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to validly complete a legal transfer as aforesaid they the Sellers shall make due compensation to the Buyers for their loss and for all *reasonable* expenses together with interest if their failure is due to proven negligence and whether or not the Buyers cancel this Agreement.

15. Buyers' representatives

After this Agreement has been signed by the Parties and the Deposit has been lodged, the Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and expense.

These representatives are 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. The Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of indemnity prior to their embarkation.

16. Law and Arbitration

(a) *This Agreement shall be governed by and construed in accordance with English law and 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.

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 a sole arbitrator shall be binding on both Parties as if the sole arbitrator had been appointed by agreement.

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.

(b) * This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the substantive law (not including the choice of law rules) of the State of New York and any dispute arising out of or in connection with this Agreement 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; 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$ 100,000 the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc.

(c) This Agreement shall be governed by and construed in accordance with the laws of _____ (*state place)* and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at_____(*state place),* subject to the procedures applicable there.

**16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 16(a) shall apply.*

17. Notices

All notices to be provided under this Agreement shall be in writing.
Contact details for recipients of notices are as follows:

For the Buyers: **C/O Doun Kisen Co., Ltd.**
Address : 1307-8, Koh Goh, Namikata-cho, Imabari City, Ehime Prefecture, 799-2110, Japan
Telephone: +81-898-43-7733
Telefax +81-898-43-7727
E-mail : sale-purchase@doun.co.jp

For the Sellers: **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

18. Entire Agreement

The written terms of this Agreement and the BBCP 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 relation thereto.

Each of the Parties 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 is expressly set out in this Agreement.

Any terms implied into this Agreement by any applicable statute or law 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.

19. *The Buyers (as the Owners) and the Sellers (as the Charterers) have entered into the BBCP, whereunder the Vessel is to be chartered to the Charterer on delivery for such period and on such terms and conditions more particularly described in the BBCP. It is agreed that the Vessel will be delivered by Buyers to Sellers as charterers under the BBCP simultaneously with their taking delivery under this Agreement, and the Sellers' obligation to deliver the Vessel to the Buyers under this Agreement is strictly subject to the Buyers' Obligation to deliver the Vessel to the Sellers under the BBCP.*

20. Confidentiality

Save as provided in Paragraph (b) below, the details of this Agreement and all the other relevant documents, negotiations, fixtures, and written correspondence are to be kept strictly confidential amongst all parties concerned, provided that:

(a) the Sellers/Buyers may make disclosures documents or information with respect to this Agreement to third party with the express prior written consent of the other party; and

(b) the Sellers/Buyers may make appropriate disclosure and subject to similar disclosure restrictions to their respective shareholders or prospective shareholders, bankers or other financiers, or professional advisors, or as necessary to rating agencies, or as required by the rules or regulations or practice of SEC and/or NYSE or of any applicable stock exchange or similar body (whether or not having the force of law), or as required by any court order or any applicable law, rule or regulation.

XXXXXXXX
For and on behalf of the Sellers

Name: _____
Title: Attorney-in-Fact

XXXXXXXX
For and on behalf of the Buyers

Name: _____
Title: Attorney-in-fact

ADDENDUM No. 1

between

XXXXXXXX of Marshall Islands,

(the "Seller")

and

XXXXXXXX of Panama

(the "Buyer")

This Addendum No. 1 dated May, 2021 is supplemental to the Memorandum of Agreement dated May 2021 (the "MOA") in respect of the sale and purchase of the Panama flag MV "[ ] (the "Vessel")

Words and expression defined in the MOA shall have the same meaning when used herein.

IT IS HEREBY MUTUALLY AGREED:

In exchange for payment of the Purchase Price, and all additional sums payable under the MOA on delivery of the Vessel, the Sellers and the Buyers shall exchange the following delivery documents (all in the English language or translated into English language by a sworn translator or duly admitted and practicing lawyer):

A. The Seller shall deliver to the Buyer on delivery the following;

1. Two (2) original legal Bills of Sale in British 10A form, in favor of the Buyers, notarized and apostilled, evidencing the transfer of all of the shares and interest in and title to the Vessel to the Buyers and stating that the Vessel is free from all encumbrances, mortgages, maritime liens or any other debts whatsoever.

2. One (1) original Minutes of a Meeting of the Board of Directors of the Sellers approving, authorizing and confirming the sale of the Vessel to the Buyers, adopting, ratifying and confirming the MOA and any addenda thereto, and authorizing persons to conclude the sale, transfer and deliver the Vessel to the Buyers and sign, execute and deliver on behalf of the Sellers all documents pertaining to the transaction, including without limitation Bill of Sale, Protocol of Delivery and Acceptance, etc., to act in all respects in relation to the sale of the Vessel and receiving the Vessel's Purchase Price and other sums payable by the Buyers and also authorizing the execution of Power(s) of Attorney empowering attorney(s)-in-fact to execute and deliver such document and take such steps as may be necessary or appropriate in order to transfer and deliver the Vessel to the Buyers. These Minutes of a Meeting of the Board of Directors of the Sellers shall be duly legalized and apostilled.

3. One (1) original Power of Attorney duly executed by the Sellers, and duly legalized and apostilled, authorizing their named representative(s) to effect the sale of the Vessel to the Buyers including attending documentary closing, carrying out any delivery / closing formalities, including receiving the Deposit and the Balance, and any other amounts pursuant to the MOA, entering into an escrow agreement in respect of holding and releasing the Deposit and issuing, delivering any releases or other ancillary documents in connection with the Deposit and effecting physical delivery of the Vessel, and all dealing with the Panamanian maritime Authorities.

4. One (1) Certificate of Incorporation issued by the Public Registry of Marshall Islands, duly certified by a Director or by lawyer, as a true copy.

5. A certified true copy of the Articles of Incorporation of the Sellers by a Director of the Sellers or by lawyer, as a true copy.

6. A faxed/scan copy of Certificates of Ownership and Encumbrances issued in respect of the Vessel by the Panamanian Ships Registry dated not earlier than one (1) banking days before the date of delivery evidencing the Vessel registered in the ownership of the Vessel with no registered encumbrances and mortgage with the original to be sent to the Buyers as soon as possible after delivery of the Vessel.

7. Class Maintenance Certificate dated not earlier than five (5) Banking Days prior to the expected date of delivery, confirming the Vessel's class is maintained.

8. One (1) set of commercial invoice for the Vessel to be executed by the Sellers.

9. Two sets of Protocol of Delivery and Acceptance.

10. Certificate of Good Standing of the Sellers dated not more than 15 days before delivery of the Vessel.

B. The Buyers shall provide Sellers at the Closing with the following documents:

1. Original Power of Attorney issued by the Buyers authorising and empowering named attorneys-in-fact to act on behalf of the Buyers and represent them in all matters in connection with the purchase of the Vessel, pursuant to the MOA, releasing of the purchase money, signing of the Bills of Sale, the Protocol of Delivery and Acceptance and attending all relevant matters, notarized and apostilled in Japan.

2. Written Resolutions of the Board of Directors of the Buyers authorizing the purchase of the Vessel as per MOA, and authorizing attorney(s)-in-fact to act on behalf of the Buyers and represent the Buyers in all matters relating to the purchase of the Vessel, release of the purchase money, signing Protocol of Delivery and Acceptance and attending all relevant matters. This document to be notarized and apostilled in Japan.

3. Certificate of Good Standing dated not more than 15 days before delivery of the Vessel.

All other terms and conditions in the said Memorandum of Agreement shall remain unaltered and in full force.

For and on behalf of the Sellers	For and on behalf of the Buyers
Name :.	Name :
Title: Attorney-in-fact	Title : Attorney-in-fact

(iii) The Sellers further warrant that the Vessel is not a designated vessel and is not and will not be chartered to any entity or transport any cargo contrary to the restrictions or prohibitions in sub-clause (a).

(iv) The Buyers further warrant that the Vessel will not be used in any trade which is subject to any sanctions, restrictions, prohibitions or designations referred to in sub-clause a).

(c) If at any time during the performance of this Agreement, either party becomes. aware that the other party is in breach of warranty as aforesaid, 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 regulatory or administrative body, acting with powers to compel compliance. In the absence of any such orders, directions, laws or regulations, the party not in breach may terminate this Agreement forthwith.

(d) Notwithstanding anything in this Clause to the contrary, Buyers and Sellers 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.

(e) Buyers and Sellers shall be liable to indemnify the other party against any and all claims, including return of any deposit or all or any part of the purchase price, losses, damage, costs and fines whatsoever suffered by the other party resulting from any breach of warranty as aforesaid and in accordance with this Agreement.

[ ]
For and on behalf of the Sellers

/s/ Shunji Sasada
Name: Shunji Sasada
Title: Attorney-in-Fact

MI-DAS LINE S.A.
For and on behalf of the Buyers

/s/ Genji Ohkouchi
Name: Genji Ohkouchi
Title: Attorney-in-fact

'BARECON 2001" STANDARD BAREBOAT CHARTER PART 1

1. Shipbroker

ITOCHU CORPORATION
TOKBM 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
In Nantong, China

18th June, 2021

3. Owners / Place of business (Cl. 1)

MI-DAS LINE S.A.
Vallarino Building, 3rd Floor, Fifty Second(52) And Elvira Mendez Street, Panama, Republic of Panama

4. Bareboat Charterers / Place of business (Cl. 1)

Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands

5. Vessel's name, call sign, flag and IMO number (Cl. 1 and 3)

M/V NAVIOS BONAVIS, 3FIS4, Panama, 9446996

6. Type of Vessel

Bulk Carrier

7. GT / NT

8. When / Where built

9. Total DWT (abt.) in metric tons on ~~summer freeboard~~

10. Classification Society (Cl. 3)

11. Date of last special survey by the Vessel's classification society

12.

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. In case of calling to sanctioned area, Charterers shall submit prior written notice to the Owners and have to obtain prior written consents by the Owners, and in case of calling / passing war risks area, Charterers will make reasonable commercial efforts to submit prior notification to the Owners

Any other country designated pursuant to any international including U.N. / U.S. / EU / U.K. / Japan 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)

years with up to [3 months] more or less in Charterers' option

(See Clause 34)

22. Charter hire (Cl. 11)

See Clause 35

23. New class and other statutory requirements (state percentage of Vessel's insurance value acc. to Box 29 (Cl. 10(a)(ii))

N/A

24. Rate of interest payable acc. to Cl.11(f) and, if applicable, acc. to PART IV

5%

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)

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)

N/A

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 56 inclusive

PREAMBLE - It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and shall only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners)
MI-DAS LINE S.A.

/s/ Genji Ohkouchi
By: Genji Ohkouchi
Title: Attorney-in-fact

Signature (Charterers)

/s/ Shunji Sasada
By: Shunji Sasada
Title: Attorney-in-fact

PART II
"BARECON 2001" Standard Bareboat Charter

1. Definitions

In this Charter, the following terms shall have the meanings hereby assigned to them:

"The Owners" shall mean the party identified in Box 3; *"The Charterers"* shall mean the party identified in Box 4; *"The Vessel"* shall mean the vessel named in Box 5 and with particulars as stated in Boxes 6 to 12*;*

"Financial Instrument" means the mortgage, deed of covenant or other such financial security instrument as annexed to this Charter and stated in Box 28.

"MOA" means the Memorandum of Agreement entered into between the Owners as buyers and the Charterers as Sellers dated 18th June 2021 in respect of the Vessel.

"Banking Days" shall mean the days identified in Cl.36 (b)

"Total Loss" shall mean the situation identified in Cl.40 (a)

2. Charter Period

In consideration of the hire detailed in Box 22, the Owners have agreed to let and the Charterers have agreed to hire the Vessel for the period stated in Box 21 (the "Charter Period").

3. Delivery Also See Clause 32

The Vessel shall be delivered and taken over by the Charterers as per Clause 32.

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

~~(a) The Owners shall before and at the time of delivery exercise due diligence to make the Vessel seaworthy and in every respect ready in hull, machinery and equipment for service under this Charter.~~

The Vessel shall be delivered by the Owners and taken over by the Charterers at the port or place indicated in Box 13 ~~in such ready safe berth as the Charterers may direct~~.

(b) The Vessel shall be properly documented on delivery in accordance with the laws of the flag state indicated in Box 5 ~~and the requirements of the classification society stated in Box 10. The Vessel upon delivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 12.~~

~~(c) The delivery of the Vessel by the Owners and the taking over of the Vessel by the Charterers shall constitute a full performance by the Owners of all the Owners' obligations under this Clause 3, and thereafter the Charterers shall not be entitled to make or assert any claim against the Owners on account of any conditions, representations or warranties expressed or implied with respect to the Vessel but the Owners shall be liable for the cost of but not the time for repairs or renewals occasioned by latent defects in the Vessel, her machinery or appurtenances, existing at the time of delivery under this Charter, provided such defects have manifested themselves within twelve (12) months after delivery unless otherwise provided in Box 32.~~

4. Time for Delivery See Clause 32

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

~~The Vessel shall not be delivered before the date indicated in Box 14 without the Charterers' consent and the Owners shall exercise due diligence to deliver the Vessel not later than the date indicated in Box 15.~~

~~Unless otherwise agreed in Box 18, the Owners shall give the Charterers not less than thirty (30) running days' preliminary and not less than fourteen (14) running days' definite notice of the date on which the Vessel is expected to be ready for delivery.~~

~~The Owners shall keep the Charterers closely advised of possible changes in the Vessel's position.~~

5. Cancelling

~~(b) If it appears that the Vessel will be delayed beyond the cancelling date, the Owners may, as soon as they are in position to state with reasonable certainty the day on which the Vessel should be ready, give notice thereof to the Charterers asking whether they will exercise their option of cancelling, and the option must then be declared within one hundred and sixty-eight (168) running hours of the receipt by the Charterers of such notice or within thirty-six (36) running hours after the cancelling date, whichever is the earlier. If the Charterers do not then exercise their option of cancelling, the seventh day after the readiness date stated in the Owners' notice shall be substituted for the cancelling date indicated in Box 15 for the purpose of this Clause 5.~~

~~(c) Cancellation under this Clause 5 shall be without prejudice to any claim the Charterers may otherwise have on the Owners under this Charter.~~

6. Trading Restrictions

The Vessel shall be employed in lawful trades for the carriage of suitable lawful merchandise within the trading limits indicated in Box 20.

The Charterers undertake not to employ the Vessel or suffer the Vessel to be employed otherwise than in conformity with the terms of the contracts of insurance (including any warranties expressed or implied therein) without first obtaining the consent of the insurers to such employment and complying with such requirements as to extra premium or otherwise as the insurers may prescribe.

The Charterers also undertake not to employ the Vessel or suffer her employment in any trade or business which is forbidden by the law of any country to which the Vessel may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

Notwithstanding any other provisions contained in this Charter it is agreed that nuclear fuels or radioactive products or waste are specifically excluded from the cargo permitted to be loaded or carried under this Charter. ~~This exclusion does not apply to radio-isotopes used or intended to be used for any industrial, commercial, agricultural, medical or scientific purposes provided the Owners' prior approval has been obtained to loading thereof.~~

7. Surveys on Delivery ~~and Redelivery~~

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

The Owners and Charterers **have the right of** ~~shall each~~ appoint**ing** surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of **delivery.**~~redelivery hereunder. The Owners shall bear all expenses of the On-hire Survey including loss of time, if any, and the Charterers shall bear all expenses of the Off-hire Survey including loss of time, if any, at the daily equivalent to the rate of hire or pro rata thereof.~~

8. Inspection

The Owners shall have the right **maximum twice per year**~~at any time~~ after giving reasonable notice to the Charterers to inspect or survey the Vessel or instruct a duly authorised surveyor to carry out such survey on their behalf:**- provided it does not interfere with the operation of the Vessel and/or crew**

(a) to ascertain the condition of the Vessel and satisfy themselves that the Vessel is being properly repaired and maintained. The costs and fees for such inspection or survey shall be paid by the Owners. ~~unless the Vessel is found to require repairs or maintenance in order to achieve the condition so provided;~~

~~(b) in dry-dock if the Charterers have not dry-docked her in accordance with Clause 10(g). The costs and fees for such inspection or survey shall be paid by the Charterers; and~~

~~*(not applicable when PART III applies, as indicated in Box 37)*~~

~~(a) Should the Vessel not be delivered latest by the cancelling date indicated in Box 15, the Charterers shall have the option of cancelling this Charter by giving the Owners notice of cancellation within thirty-six (36) running hours after the cancelling date stated in Box 15, failing which this Charter shall remain in full force and effect.~~

~~(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 twice per year** ~~whenever **reasonably** requested~~ and shall whenever required by the Owners furnish them with full information regarding any casualties or other accidents or damage to the Vessel. The Charterers shall furnish the Owners with full inspection report once a year upon Owners' request.

9. Inventories, Oil and Stores SEE CLAUSE 52

~~A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel. The Charterers and the Owners, respectively, shall at the time of delivery and redelivery take over and pay for all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores (excluding spare parts) in the said Vessel at the then current market prices at the ports of delivery and redelivery, respectively. The Charterers shall ensure that all spare parts listed in the inventory and used during the Charter Period are replaced at their expense prior to redelivery of the Vessel.~~ **SEE ALSO CLAUSE 32, AND CLAUSE 46**

10. Maintenance and Operation

(a)(i) Maintenance and Repairs - During the Charter period the Vessel shall be in the full possession and at the absolute disposal for all purposes of the Charterers and under their complete control in every respect.

The Charterers shall **exercise due diligence to** maintain the Vessel, her machinery, boilers, appurtenances and spare parts in a good state of repair, in efficient operating condition and in accordance with good commercial maintenance practice and 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 repainting, 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

(a) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against hull and machinery, war and Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) **in Charterers' standard form as the Owners *have received, reviewed and* ~~shall in writing~~approve*d*, which approval shall not be unreasonably withheld.**in such form as the Owners shall in writing approve, which approval shall not be unreasonably withheld. Such insurances shall be arranged by the Charterers to protect the interests of both the Owners and the Charterers and the mortgagees (if any), and the Charterers shall be at liberty to protect under such insurances the interests of any managers they may appoint. Insurance policies shall cover the Owners and the Charterers according to their respective interests. ~~Subject to the provisions of the Financial Instrument, if any, and the approval of the Owners and the insurers, the Charterers shall effect all insured repairs and shall undertake settlement and reimbursement from the insurers of all costs in connection with such repairs as well as insured charges, expenses and liabilities to the extent of coverage under the insurances herein provided for.~~

The Charterers also to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

All time used for repairs under the provisions of sub-clause 13(a) and for repairs of latent defects according to Clause 3(c) above, including any deviation, shall be for the Charterers' account.

~~(b) If the conditions of the above insurances permit additional insurance to be placed by the parties, such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.~~

(c) The Charterers shall upon the request of the Owners provide information and promptly execute such documents as may be **reasonably** required to enable the Owners to comply with the insurance provisions of the Financial Instrument.

~~(d) Subject to the provisions of the Financial Instrument, if any, should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 13(a), all insurance payments for such loss shall be paid to the Owners who shall distribute the moneys between the Owners and the Charterers according to their respective interests. The Charterers undertake to notify the Owners and the mortgagee(s), if any, of any occurrences in consequence of which the Vessel is likely to become a total loss as defined in this clause~~. **SEE CLAUSE 40**

(e) The Owners shall, upon the request of the Charterers, promptly execute such documents as may be required to enable the Charterers to abandon the Vessel to insurers and claim a constructive total loss.

~~(f) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 13(a), the value of the Vessel is the sum indicated in Box 29.~~ **SEE CLAUSE 40**

14. Insurance, Repairs and Classification N/A

(Optional, only to apply if expressly agreed and stated in Box 29, in which event Clause 13 shall be considered deleted).

~~(a) During the Charter Period the Vessel shall be kept insured by the Owners at their expenses against hull and machinery and war risks under the form of policy or~~

policies attached hereto. The Owners and/or insurers shall not have any right of recovery or subrogation against the Charterers on account of loss of or any damage to the Vessel or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Vessel or the Owners covered by such insurance. Insurance policies shall cover the Owners and the Charterers according to their respective interests.

(b) During the Charter Period the Vessel shall be kept insured by the Charterers at their expense against Protection and Indemnity risks (and any risks against which it is compulsory to insure for the operation of the Vessel, including maintaining financial security in accordance with sub-clause 10(a)(iii)) in such form as the Owners shall in writing approve which approval shall not be unreasonably withheld.

(c) In the event that any act or negligence of the Charterers shall vitiate any of the insurance herein provided, the Charterers shall pay to the Owners all losses and indemnify the Owners against all claims and demands which would otherwise have been covered by such insurance.

(d) The Charterers shall, subject to the approval of the Owners or Owners' Underwriters, effect all insured repairs, and the Charterers shall undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances provided for under the provisions of sub-clause 14(a). The Charterers to be secured reimbursement through the Owners' Underwriters for such expenditures upon presentation of accounts.

(e) The Charterers to remain responsible for and to effect repairs and settlement of costs and expenses incurred thereby in respect of all other repairs not covered by the insurances and/or not exceeding any possible franchise(s) or deductibles provided for in the insurances.

(f) All time used for repairs under the provisions of sub-clause 14(d) and 14(e) and for repairs of latent defects according to Clause 3 above, including any deviation, shall be for the Charterers' account and shall form part of the Charter Period.

The Owners shall not be responsible for any expenses as are incident to the use and operation of the Vessel for such time as may be required to make such repairs.

(g) If the conditions of the above insurances permit additional insurance to be placed by the parties such cover shall be limited to the amount for each party set out in Box 30 and Box 31, respectively. The Owners or the Charterers as the case may be shall immediately furnish the other party with particulars of any additional insurance effected, including copies of any cover notes or policies and the written consent of the insurers of any such required insurance in any case where the consent of such insurers is necessary.

(h) Should the Vessel become an actual, constructive, compromised or agreed total loss under the insurances required under sub-clause 14 (a), all insurance payments for such loss shall be paid to the Owners, who shall distribute the moneys between themselves and the Charterers according to their respective interests.

(i) If the Vessel becomes an actual, constructive, compromised or agreed total loss under the insurances arranged by the Owners in accordance with sub-clause 14(a), this Charter shall terminate as of the date of such loss.

(j) The Charterers shall upon the request of the Owners, promptly execute such documents as may be required to enable the Owners to abandon the Vessel to the insurers and claim a constructive total loss.

(k) For the purpose of insurance coverage against hull and machinery and war risks under the provisions of sub-clause 14(a), the value of the Vessel is the sum indicated in Box 29.

(l) Notwithstanding anything contained in sub-clause 10(a), it is agreed that under the provisions of Clause 14, if applicable, the Owners shall keep the Vessel's Class fully up to date with the Classification Society indicated in Box 10 and maintain all other necessary certificates in force at all times.

15. Redelivery ALSO SEE CLAUSE 46

At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe **berth or anchorage at a safe** and ice-free port or place as indicated in Box 16, in such ready safe berth as the Owners may direct. The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date, range of ports of redelivery or port or place of redelivery and not less than fourteen (14) running days' definite notice of expected date and port or place of redelivery. Any changes thereafter in Vessel's position shall be notified immediately to the Owners.

The Charterers warrant that they will not permit the Vessel to commence a voyage (including any preceding ballast voyage) which cannot reasonably be expected to be completed in time to allow redelivery of the Vessel within the Charter Period. Notwithstanding the above, should the Charterers fail to redeliver the Vessel within the Charter Period, the Charterers shall pay the daily equivalent to the rate of hire stated in Box 22 plus **5** per cent or to the market rate, whichever is the higher, for the number of days by which the Charter Period is exceeded. All other terms, conditions and provisions of the Charter shall continue to apply.

Subject to the provisions of Clause 10, the Vessel shall be redelivered to the Owners in **substantially** the same or as good structure, state, condition and class as that in which she was delivered, fair wear and tear not affecting class excepted.

The Vessel upon redelivery shall have her survey cycles up to date and trading and class certificates valid for at least the number of months agreed in Box 17.

16. Non-Lien ALSO SEE CLAUSE 47

The Charterers will not suffer, nor permit to be continued, any lien or encumbrance incurred by them or their agents, which might have priority over the title and interest of the Owners in the Vessel. The Charterers further agree to fasten to the Vessel in a conspicuous place and to keep so fastened during the Charter Period a notice reading as follows:

'This Vessel is the property of (name of Owners). It is under charter to (name of Charterers) and by the terms of the Charter Party neither the Charterers nor the Master have any right, power or authority to create, incur or permit to be imposed on the Vessel any lien whatsoever.'

17. Indemnity ALSO SEE CLAUSE 53

(a) The Charterers shall indemnify the Owners against any loss, damage or expense incurred by the Owners arising out of or in relation to the operation of the Vessel by the Charterers, and against any lien of whatsoever nature arising out of an event occurring during the Charter Period. If the Vessel be arrested or otherwise detained by reason of claims or liens arising out of her operation hereunder by the Charterers, the Charterers shall at their own expense take all reasonable steps to secure that within a reasonable time the Vessel is released, including the provision of bail.

Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the Master, officers or agents signing Bills of Lading or other documents.

(b) If the Vessel be arrested or otherwise detained by reason of a 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.~~

23. Contracts of Carriage

***)** (a) The Charterers are to procure that all documents issued during the Charter Period evidencing the terms and conditions agreed in respect of carriage of goods shall contain a paramount clause incorporating any legislation relating to carrier's liability for cargo compulsorily applicable in the trade; if no such legislation exists, the documents shall incorporate the Hague-Visby Rules. The documents shall also contain the New Jason Clause and the Both-to-Blame Collision Clause.

~~***)**~~ ~~(b) The Charterers are to procure that all passenger tickets issued during the Charter Period for the carriage of passengers and their luggage under this Charter shall contain a paramount clause incorporating any legislation relating to carrier's liability for passengers and their luggage compulsorily applicable in the trade; if no such legislation exists, the passenger tickets shall incorporate the Athens Convention Relating the Carriage of Passengers and their Luggage by Sea, 1974, and any protocol thereto.~~

***)** *Delete as applicable.*

24. Bank Guarantee

(Optional, only to apply if Box 27 filled in)

~~The Charterers undertake to furnish, before delivery of the Vessel, a first class bank guarantee or bond in the sum and at the place as indicated in Box 27 as guarantee for full performance of their obligations under this Charter.~~

25. Requisition/Acquisition ALSO SEE CLAUSE 40 (a)/(b)

(a) In the event of the requisition for Hire of the Vessel by any governmental or other competent authority (hereinafter referred to a "Requisition for Hire") irrespective of the date during the Charter Period when "Requisition for Hire" may occur and irrespective of the length thereof and whether or not it be for an indefinite or a limited period of time, and irrespective of whether it may or will remain in force for the remainder of the Charter Period, this Charter shall not be deemed thereby or thereupon to be frustrated or otherwise terminated and the Charterers shall continue to pay the stipulated hire in the manner provided by this Charter until the time when the Charter would have terminated pursuant to any of the provisions hereof always provided however that in the event of "Requisition for Hire" any Requisition Hire or compensation received or receivable by the Owners shall be payable to the Charterers during the remainder of the Charter Period or the period of the 'Requisition for Hire' whichever be the shorter.

(b) Notwithstanding the provisions of clause 25 (a), in the event of the Owners being deprived of their ownership in the Vessel by any Compulsory Acquisition of the Vessel or requisition for title by any governmental or other competent authority**, which for the avoidance of any doubt, shall exclude requisition for use or hire not involving requisition of title** (hereinafter referred to as 'Compulsory Acquisition'), then, irrespective of the date during the Charter Period when "Compulsory Acquisition" may occur~~,~~ this Charter shall be deemed terminated as of the date of such "Compulsory Acquisition". In such event charter hire to be considered as earned and to be paid up to the date and time of such "Compulsory Acquisition"**, but not thenafter**.

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~~ **notification to the Owners as Box 20** and**-written confirmation for covering war risk insurance by underwriter** be first obtained, shall not continue to or go through any port, place, area or zone (whether of land or sea), or any waterway or canal, where it reasonably appears that the Vessel, her cargo, crew or other persons on board the Vessel, in the reasonable judgement of the Owners, may be, or are likely to be, exposed to War Risks. Should the Vessel be within any such place as aforesaid, which only becomes dangerous or is likely to be or to become dangerous, after the entry into it, the Owners shall have the right to require the Vessel to leave such area.

(c) The Vessel shall not load contraband cargo, or to pass through any blockade, whether such blockade be imposed on all vessels, or is imposed selectively in any way whatsoever against vessels of certain flags or ownership, or against certain cargoes or crews or otherwise howsoever, or to proceed to an area where she shall be subject, or is likely to be subject to a belligerent's right of search and/or confiscation.

~~(d) If the insurers of the war risk insurance, when Clause 14 is applicable, should require payment of premiums and/or calls because, pursuant to the Charterers' orders, the Vessel is within, or is due to enter and remain within, any area or areas which are specified~~

by such insurers as being subject to additional premiums because of War Risks, then such premiums and/or calls shall be reimbursed by the Charterers to the Owners at the same time as the next payment of hire is due.

(e) The Charterers shall have the liberty:

(i) to comply with all orders, directions, recommendations or advice as to departure, arrival, routes, sailing in convoy, ports of call, stoppages, destinations, discharge of cargo, delivery, or in any other way whatsoever which are given by the government of the nation under whose flag the vessel sails, or any other government, body or group whatsoever acting with the power to compel compliance with their orders or directions'

(ii) to comply with the orders, directions or recommendations of any war risks underwriters who have the authority to give the same under the terms of the war risks insurance;

(iii) to comply with the terms of any resolution of the Security Council of the United Nations, any directives of the European Community, the effective orders of any other supranational body which has the right to issue and give the same, and with national laws aimed at enforcing the same to which the Owners are subject, and to obey the orders and directions of those who are charged with their enforcement.

(f) In the event of outbreak of war (whether there be a declaration of war or not) (i) between any two or more of the following countries: the United States of America; Russia; the United Kingdom; France; and the People's Republic of China, (ii) between any two or more of the countries stated in Box 36, both the Owners and the Charterers shall have the right to cancel this Charter, whereupon the Charterers shall redeliver the Vessel to the Owners in accordance with Clause 15, if the Vessel has cargo on board after discharge thereof at destination, or if debarred under this Clause from reaching and entering it at a near open and safe port as directed by the Owners, or if the Vessel has no cargo on board, at the port at which the Vessel then is or if at sea at a near, open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter shall apply until redelivery.

27. Commission

The Owners to pay a commission at the rate indicated in Box 33 to the Brokers named in Box 33 on any hire paid under the Charter. If no rate is indicated in Box 33, the commission to be paid by the Owners shall cover the actual expenses of the Brokers and a reasonable fee for their work.

If the full hire is not paid owing to breach of the Charter by either of the parties, the party liable therefore shall indemnify the Brokers against their loss of commission. Should the parties agree to cancel the Charter, the Owners shall indemnify the Brokers against any loss of commission but in such case the commission shall not exceed the brokerage on one year's hire.

28. Termination

(a) Charterer's Default

The Owners shall be entitled to withdraw the Vessel from the service of the Charterers and terminate the Charter with immediate effect by written notice to the Charterers if:

(i) the Charterers fail to pay hire in accordance with Clause 11. However, where there is a failure to make punctual payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Owners shall give the Charterers written notice of the number of clear banking days stated in Box 34 (as recognised at the agreed place of payment) in which to rectify the failure, and when so rectified within such number of days following the Owners' notice, the payment shall stand as regular and punctual. Failure by the Charterers to pay hire within the number of days stated in Box 34 of their receiving the Owners' notice as provided herein, shall entitle the Owners to withdraw the Vessel from the service of the Charterers and terminate the Charter without further notice;

(ii) the Charterers fail to comply with the requirements of:

(1) Clause 6 (Trading Restrictions)

(2) Clause 13(a) (Insurance and Repairs) provided that the Owners shall have the option, by written notice to the Charterers, to give the Charterers a specified number of days grace within which to rectify the failure without prejudice to the Owners' right to withdraw and terminate under this Clause if the Charterers fail to comply with such notice;

(iii) the Charterers fail to rectify any failure to comply with the requirements of sub-clause 10(a)(i) (Maintenance and Repairs) as soon as practically possible after the Owners have requested them in writing so to do and in any event so that the Vessel's insurance cover is not prejudiced. **SEE CLAUSE 41 & 42**

(b) Owners' Default

If the Owners shall by any act or omission be in breach of their obligations under this Charter to the extent that the Charterers are deprived of the use of the Vessel and such breach continues for a period of fourteen (14) running days after written notice thereof has been given by the Charterers to the Owners, the Charterers shall be entitled to terminate this Charter with immediate effect by written notice to the Owners.

(c) Loss of Vessel

This Charter shall be deemed to be terminated if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss. For the purpose of this sub-clause, the Vessel shall not be deemed to be lost unless she has either become an actual total loss or agreement has been reached with her underwriters in respect of her constructive, compromised or arranged total loss or if such agreement with her underwriters is not reached it is adjudged by a competent tribunal that a constructive loss of the Vessel has occurred. **SEE CLAUSE 40 (d)/(e)**

(d) Either party shall be entitled to terminate this Charter with immediate effect by written notice to the other party in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangements or composition with its creditors.

(e) The termination of this Charter shall be without prejudice to all rights accrued due between the parties prior to the date of termination and to any claim that either party might have.

29. Repossession

In the event of the termination of this Charter in accordance with the applicable provisions of Clause 28, the Owners shall have the right to repossess the Vessel from the Charterers at her current or next port of call, or at a port or place convenient to them without hindrance or interference by the Charterers, courts or local authorities. Pending physical repossession of the Vessel in accordance with this Clause 29, the Charterers shall hold the Vessel as gratuitous bailee only to the Owners. The Owners shall arrange for an authorised represent-ative to board the Vessel as soon as reasonably practicable following the termination of the Charter. The Vessel shall be deemed to be repossessed by the Owners from the Charterers upon the boarding of the

~~Vessel by the Owners' representative. All arrangements and expenses relating to the settling of wages, disembarkation and repatriation of the Charterers' Master, officers and crew shall be the sole responsibility of the Charterers.~~

30. Dispute Resolution

***)** (a) This Contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this Contract shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Clause.

The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within 14 calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the 14 days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the 14 days specified, the party referring a dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement.

Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

In cases where neither the claim nor any counterclaim exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when the arbitration proceedings are commenced.

~~***)** (b) This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and the Maritime Law of the United States and any dispute arising out of or in connection with this Contract shall be referred to three persons at New York, one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them shall be final, and for the purposes of enforcing any award, judgment may be entered on an award by any court of competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the Society of Maritime Arbitrators, Inc.~~

~~In cases where neither the claim nor any counterclaim exceeds the sum of US$50,000 (or such other sum as the parties may agree) the arbitration shall be 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 50

~~(a) Any notice to be given by either party to the other party shall be in writing and may be sent by fax, telex, registered or recorded mail or by personal service.~~

~~(b) The address of the Parties for service of such communication shall be as stated in Boxes 3 and 4 respectively.~~

PART III
PROVISIONS TO APPLY FOR NEWBUILDING VESSELS ONLY
(Optional, only to apply if expressly agreed and stated in Box 37)

OPTIONAL PART

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(e)(ii) hereunder, the Charterers shall be bound to accept the Vessel from the Owners, completed and constructed in accordance with the Building Contract, on the date of delivery by the Builders. The Charterers undertake that having accepted the Vessel they will not thereafter raise any claims against the Owners in respect of the Vessel's performance or specification or defects, if any. Nevertheless, in respect of any repairs, replacements or defects which appear within the first 12 months from delivery by the Builders, the Owners shall endeavour to compel the Builders to repair, replace or remedy any defects or to recover from the Builders any expenditure incurred in carrying out such repairs, replacements or remedies. However, the Owners' liability to the Charterers shall be limited to the extent the Owners have a valid claim against the Builders under the guarantee clause of the Building Contract (a copy whereof has been supplied to the Charterers). The Charterers shall be bound to accept such sums as the Owners are reasonably able to recover under this Clause and shall make no further claim on the Owners for the difference between the amount(s) so recovered and the actual expenditure on repairs, replacement or remedying defects or for any loss of time incurred.

Any liquidated damages for physical defects or deficiencies shall accrue to the account of the party stated in Box 41(a) or if not filled in shall be shared equally between the parties. The costs of pursuing a claim or claims against the Builders under this Clause (including any liability to the Builders) shall be borne by the party stated in Box 41(b) or if not filled in shall be shared equally between the parties.

2. Time and Place of Delivery – SEE CLAUSE 33

(a) Subject to the Vessel having completed her acceptance trials including trials of cargo equipment in accordance with the Building Contract and specifications to the satisfaction of the Charterers, the Owners shall give and the Charterers shall take delivery of the Vessel afloat when ready for delivery and properly documented at the Builders' Yard or some other safe and readily accessible dock, wharf or place as may be agreed between the parties hereto and the Builders. Under the Building Contract, the Builders have estimated that the Vessel will be ready for delivery to the Owners as therein provided but the delivery date for the purpose of the Charter shall be the date when the Vessel is in fact ready for delivery by the Builders after completion of trials whether that be before or after as indicated in the Building Contract. The Charterers shall not be entitled to refuse acceptance of delivery of the Vessel and upon and after such acceptance, subject to Clause 1(d), the Charterers shall not be entitled to make any claim against the Owners in respect of any conditions, representations or warranties, whether express or implied, as to the seaworthiness of the Vessel or in respect of delay in delivery.

(b) If for any reason other than a default by the Sellers Owners under the Shipbuilding Contract, the Builders become entitled under that Contract not to deliver the Vessel to the Sellers, the Owners shall upon giving to the Charterers written notice of Builders becoming so entitled, be excused from giving delivery of the Vessel to the Charterers and upon receipt of such notice by the Charterers this Charter shall cease to have effect.

(c) If for any reason the Owners become entitled under the Building Contract to reject the Vessel the Owners shall, before exercising such right of rejection, consult the Charterers and thereupon

(i) if the Charterers do not wish to take delivery of the Vessel they shall inform the Owners within seven (7) running days by notice in writing and upon receipt by the Owners of such notice this Charter shall cease to have effect; or

(ii) if the Charterers wish to take delivery of the Vessel they may by notice in writing within seven (7) running days require the Owners to negotiate with the Builders as to the terms on which delivery should be taken and/or refrain from exercising their right of rejection and upon receipt of such notice the Owners shall commence such negotiations and/or take delivery of the Vessel from the Builders and deliver her to the Charterers;

(iii) in no circumstances shall the Charterers be entitled to reject the Vessel unless the Owners are able to reject the Vessel from the Builders; **SEE CLAUSE 33**

(iv) if this Charter terminates under sub-clause (b) of this Clause, the Owners shall thereafter not be liable to the Charterers for any claim under or arising out of this

Charter or its termination.

(d) Any liquidated damages for delay in delivery under the Building Contract and any costs incurred in pursuing a claim therefor shall accrue to the account of the party stated in Box 41(c) or if not filled in shall be shared equally between the parties.

3. Guarantee Works – SEE CLAUSE 32

If not otherwise agreed, the Owners authorise the Charterers to arrange for the guarantee works to be performed in accordance with the Shipbuilding building Contract terms, and hire to continue during the period of guarantee works. The Charterers have to advise the Owners about the performance to the extent the Owners may request.

4. Name of Vessel – SEE CLAUSE 44

The name of the Vessel shall be mutually agreed between the Owners and the Charterers and the Vessel shall be painted in the colours, display the funnel insignia and fly the house flag as required by the Charterers.

5. Survey on Redelivery – SEE CLAUSE 46

The Owners and the Charterers shall appoint surveyors for the purpose of determining and agreeing in writing the condition of the Vessel at the time of redelivery. Without prejudice to Clause 15 (PART II), the Charterers shall bear all survey expenses and all other costs, if any, including the cost of docking and undocking, if required, as well as all repair costs incurred. The Charterers shall also bear all loss of time spent in connection with any docking and undocking as well as repairs, which shall be paid at the rate of hire per day or pro rata.

PART IV
HIRE/PURCHASE AGREEMENT

(Optional, only to apply if expressly agreed and stated in Box 42)

OPTIONAL PART

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.

PART V
PROVISIONS TO APPLY FOR VESSELS REGISTERED IN A BAREBOAT CHARTER REGISTRY

OPTIONAL PART

(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 18th June, 2021 (this "Charter") by

MI-DAS LINE S.A. as owner (the "Owners") and

[ ] as charterer (the "Charterers")

in respect of MV "Navios XX" (the "Vessel")

32. DELIVERY

(a) The Charterers shall take delivery of the Vessel under this Charter simultaneously with delivery by Charterers as sellers to the Owners as buyers under the MOA, and the Owners shall be obliged to deliver the Vessel to the Charterers hereunder in the same moment as the Owners is taking delivery of the Vessel under the MOA.

(b) The Owners warrant that the Vessel, at time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, other than (i) those incurred prior to the delivery of the Vessel hereunder, (ii) this Charter and (iii) the mortgage over the Vessel, assignment of insurance in respect of the Vessel and the assignment of the charter hires in respect hereof in favour of the Mortgagee.

(c) The Vessel shall be delivered under this Charter in the same condition and with the same equipment, inventory and spare parts as she is delivered to the Owners under the MOA. The Charterers know the Vessel's condition at the time of delivery, and expressly agree that the Vessel's condition as delivered under the MOA is acceptable and in accordance with the provisions of this Charter. The Vessel shall be delivered to the Charterers under this Charter strictly "as is/where is", and the Charterers shall waive any and all claims against the Owners under this Charter on account of any conditions, seaworthiness, representations, warranties expressed or implied in respect of the Vessel (including but not limited to any bunkers, oils, spare parts and other items whatsoever) on delivery.

33. ISM CODE

During the currency of this Charter the Charterers shall procure at the costs and expenses and time of the Charterers that the Vessel and the "company" (as defined by the ISM code) shall comply with the requirements of the ISM code. Upon request the Charterers shall provide

a copy of relevant documents of compliance (DOC) and safety management certificate (SMC) to the Owners. For the avoidance of any doubt any loss, damage, expense or delay caused by the failure on the part of the "Company" to comply with the ISM code shall be for the Charterers' account.

34. CHARTER PERIOD

(a) The Owners shall let to the Charterers and the Charterers shall take the Vessel on charter for the period and upon the terms and conditions contained herein.

(b) Subject always to the provisions hereto, the period of the chartering of the Vessel hereunder (hereinafter referred to as the "**Charter Period**") shall comprise (unless terminated at an earlier date in accordance with the terms hereof) a charter period of Six (6) years from the date of the delivery of the Vessel by the Owners to the Charterers under this Charter (the "Delivery Date") with up to three (3) months more or less in the Charterers' option, provided always that the chartering of the Vessel hereunder may be terminated by the Owners pursuant to Clause 41 or shall terminate in the event of the Total Loss or Compulsory Acquisition of the Vessel subject to, and in accordance with provisions of Clause 40.

35. CHARTER HIRE

The Charterers shall, throughout the Charter Period, pay charter hire ("**Charter Hire**") to the Owners monthly in advance at the agreed following rate by telegraphic transfer for each successive period of a month commencing with the Delivery Date and with subsequent installments at monthly intervals after the date of payment of such first installment by and until the redelivery of the Vessel. Time is of the essence for payment of the Charter Hire under this Charter.

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 hire payment date is National holiday in Japan, Piraeus/Greece, London and New York, hire to be paid one day prior to that date. Full amount of hire shall be available in Owner's nominated account on a monthly basis by the due date.

(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 5%. 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 a 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 with Charterers prior consent. 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 Lloyd's Register (LR) to any other classification society at least equivalent to LR.

(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) (i) Registration and maintenance of the Vessel's ownership of the Owner under Panamanian flag, including arrangement of certificate of registry, mortgage, radio station license, Panamanian CSR, deletion (or deregistration) of the Vessel; and (ii) discharging of the mortgage from the flag country (in case of purchase)

The (i) and (ii) shall be done jointly by the Owners and the Charterers and all costs in relation thereto except for mortgage registration is for the account of the Charterers. Cost of mortgage registration shall be equally borne by Owners and Charterers. Also, all other documentation and works required due to flag, including change of DOC/SMC/ISSC/MLC, agent fee, class certificates, change of country name on hull, change of radio and navigational aids registration, Annual Tonnage Tax of the flag country throughout the Charter period shall be for the Charterers' time and cost.

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 Charterer'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;

(iii) The policies in respect of the insurances against fire and usual marine risks and policies or entries in respect of the insurances against war risks shall, in each case, include the following loss payable provisions:-

(a) For so long as the Vessel is mortgaged and in accordance with the Deed of Assignment of insurances entered or to be entered into between the Charterers and any mortgagee (the "Assignee"):

Until such time as the Assignee shall have notified the insurers to the contrary:

(i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Assignee without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);

(ii) All other recoveries not exceeding United States Dollars Five Hundred Thousand (US$500,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

(iii) All other recoveries exceeding United States Dollars Five Hundred Thousand (US$500,000.00) shall, subject to the prior written consent of the Assignee be paid in full to the Charterers or their order without any deduction whatsoever.

(b) During any periods when the Vessel is not mortgaged:

(i) All recoveries hereunder in respect of an actual, constructive or compromised or arranged total loss shall be paid in full to the Owners without any deduction or deductions whatsoever and applied in accordance with clause 40 (e);

(ii) All other recoveries not exceeding United States Dollars One million (US$1,000,000.00) shall be paid in full to the Charterers or to their order without any deduction or deductions whatsoever; and

(iii) All other recoveries exceeding United States Dollars One million (US$1,000,000.00) shall, subject to the prior written consent of the Owners be paid in full to the Charterers or their order without any deduction whatsoever, subject to the fulfillment of the provisions of Clause 44;

and the Owners and Charterers agree to be bound by the above provisions.

(iv) the Charterers shall procure that duplicates of all cover notes, policies and certificates of entry shall be furnished to the Owners for their custody;

(v) the Charterers shall procure that the insurers and the war risk and protection and indemnity associations with which the Vessel is entered shall

(A) furnish the Owners with a letter or letters of undertaking in relevant underwriter's standard form and in accordance with the underwriters' rules.

(B) supply to the Owners such information in relation to the insurances effected, or to be effected, with them as the Owners may from time to time reasonably require: and

(vi) the Charterers shall use all reasonable efforts to procure that the policies, entries or other instruments evidencing the insurances are endorsed to the effect that the insurers shall give to the Owners not less than 10 business days 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

(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) USD15.4Mil for day 1 and to be reduced by US$ 137,500.- per month as at the Date of Loss, and

THIRDLY, in payment of any surplus to the Charterers by way of compensation for early termination.

(f) The Charterers and the Mortgagee shall execute the "Assignment of Insurances" of which contents and wording shall be mutually agreed between the Owners and the Charterers.

41. 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 three (3) 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) 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) USD15.4Mil for day 1 and to be reduced by US$ 137,500.- per month (the "Owners Termination Balance")at any given time always taking into account any charterhire paid during the year to which the specified Owners Termination Balance relates **PROVIDED ALWAYS** that if the said market value exceeds the aggregate of (A) and (B) and the Owners Termination Balance , 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 Owners Termination Balance as at the date of such sale.

43. NAME

The Charterers shall, subject only to prior notification to the relevant authorities of the jurisdiction in which for the time being the Vessel is registered, be entitled from time to time to change the name of the Vessel.

During the Charter Period, the Charterers shall have the liberty to paint the Vessel in their own colours, install and display their funnel insignia and fly their own house flag. Painting and installment shall be at Charterers' expense and time. The Charterer shall also have the liberty to change the name of the Vessel during the Charter Period at the expense and time of the Charterers (including the legal charge for finance documents for the Mortgagee, if any).

The Owners shall have no right to change the name of the Vessel during the Charter Period.

44. MORTGAGE and ASSIGNMENT

The Owners confirm that they are familiar with the terms of the assignment of insurances made or to be made by the Charterers in favour or the Mortgagee, and they agree to the terms thereof and will do nothing that conflicts therewith, excepting that the Owners shall be entitled to assign its rights, title and interest in and to this Charter to the Mortgagee or its assignee. Neither party shall assign its right or obligations or part of thereof to any third party without the written consent of the other.

In respect of the Vessel the Owners undertake not to borrow more than the respective purchase option prices as set out at the relevant milestone in Clause 48 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 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 at Charterers time and expense. 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 52 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

The Clause shall not apply if the Charterers exercise their purchase option as set out in clause 48 and Charterers Default as set out in Clause 41 is occurred.

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 MI-DAS LINE S.A. and is subject to a first preferred mortgage in favour of 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. CHARTERERS' OPTION TO PURCHASE VESSEL

1. Charterers to have purchase option at the end of 6th Year of the Charter Period at a price of USD5,000,000.- (the "**Purchase Option Price**") subject to Charterers declaration.

2. Immediately prior to delivery of the Vessel by the Owners to the Charterers under the PO MOA (as defined in Clause 48.3) 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.

3. 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**").

49. MISCELLANEOUS

(a) The terms and conditions of this Charter and the respective rights of the Owners and the Charterers shall not be waived or varied otherwise than by an instrument in writing of the same date as or subsequent to this Charter executed by both parties or by their duly authorized representatives.

(b) Unless otherwise provided in this Charter whether expressly or by implication, time shall be of the essence in relation to the performance by the Charterers of each and every one of their obligations hereunder.

(c) No failure or delay on the part of the Owners or the Charterers in exercising any power, right or remedy hereunder or in relation to the Vessel shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise of any such right or power or the exercise of any other right, power or remedy.

(d) If any terms or condition of this Charter shall to any extent be illegal invalid or unenforceable the remainder of this Charter shall not be affected thereby and all other terms and condition shall be legal valid and enforceable to the fullest extent permitted by law.

(e) The respective rights and remedies conferred on the Owners and the Charterers by this Charter are cumulative, may be exercised as often as the Owners or the Charterers (as the case may be) think fit and are in addition to, and are not exclusive of, any rights and remedies provided by law.

50. COMMUNICATIONS

Except as otherwise provided for in this Charter, all notices or other communications under or in respect of this Charter to either party hereto shall be in writing and shall be made or given to such party at the address, facsimile number or e-mail address appearing below (or at such other address, facsimile number or e-mail address as such party may hereafter specify for such purposes to the other by notice in writing):-

(i) in the case of the Owners c/o Doun Kisen Co., Ltd.

Address : 1307-8, Koh Goh, Namikata-cho, Imabari City, Ehime Prefecture, 799-2110, Japan
Telephone : +81-898-43-7733
Telefax : +81-898-41-6011
E-mail : sale-purchase@doun.co.jp

(ii) in the case of the Charterers c/o Navios Shipmanagement Inc.

Address : 85 Akti Miaouli Street, 18538, Piraeus, Greece
Telephone : 30-210-4595000
E-mail : ops@navios.com, legal@navios.com
tech@navios.com, legal_corp@navios.com

(iii) in the case of the Brokers c/o ITOCHU Corporation

Address : TOKBR Section, 5-1, Kiya-Aoyama 2-chome,
Minato-ku, Tokyo, 107-8077 Japan
Telephone : 81-3-3497-2939
Telefax : 81-3-3497-7111
E-mail : tokbr@itochu.co.jp

A written notice includes a notice by facsimile or e-mail. A notice or other communication received on a non-working day or after business hours in the place of receipt shall be deemed to be served on the next following working day in such place.

Subject always to the foregoing sentence, any communication by personal delivery or letter shall be deemed to be received on delivery, any communication by e-mail shall be deemed to be received upon transmission of the automatic answerback of the addresses and any communication by facsimile shall be deemed to be received upon appropriate acknowledgment by the addressee's receiving equipment.

All communications and documents delivered pursuant to or otherwise relating to this Charter shall either be in English or accompanied by a certified English translation.

51. TRADING IN WAR RISK AREA

The Charterers shall be permitted to order the Vessel into an area subject to War Risks as defined in Clause 26 with prior notification to the Owners as Box 20provided that all Marine, War and P&I Insurance are maintained with full force and effect and the Charterers shall pay any and all additional premiums to maintain such insurance.

52. INVENTORIES, OIL AND STORES

A complete inventory of the Vessel's entire equipment, outfit including spare parts, appliances and of all consumable stores on board the Vessel shall be made by the Charterers in conjunction with the Owners on delivery and again on redelivery of the Vessel.

The Owners shall at the time of redelivery take over and pay for all bunkers and lubricating oil 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.

53. 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.

54. 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.

55. ANTI-BRIBERY AND ANTI-CORRUPTION

The Charterers and the Owners hereby agree that in connection with this Contract and/or any other business transactions related to it, they as well as their sub-contractors and each of their affiliates, directors, officers, employees, agents, and every other person acting on its and its sub-contactors' behalf, shall perform all required duties, transactions and dealings in compliance with all applicable laws, rules, regulations relating to anti-bribery and anti-money laundering.

56. Ownership Change

The Owners are entitled to transfer the ownership of the Vessel to its affiliates any entity which is directly or indirectly wholly-owned by the Okochi Family by delivering a notice to the Charterers, which is subject to Charterers' prior approval and Owners performance shall be also guaranteed by the Doun Kisen Co., Ltd.

(end)

MEMORANDUM OF AGREEMENT

Norwegian Shipbrokers' Association's Memorandum of Agreement for sale and purchase of ships. Adopted by BIMCO in 1956. Code-name **SALEFORM 2012** Revised 1966, 1983 and 1986/87, 1993 and 2012

Dated: May 2021

[ ] of Marshall Islands whose performance shall be guaranteed by Navios Maritime Partners LP, hereinafter called the "Sellers", have agreed to sell,

and

XXXXXXXX whose performance shall be guaranteed by Doun Kisen Co., Ltd., hereinafter called the "Buyers", have agreed to buy:

Name of vessel: M/V Navios [ ]

IMO Number: [ ]

Classification Society: Lloyd's Register

[ ]

Total DWT : [ ]

Year of Build: [ ]

Flag: Panama [ ]

hereinafter called the "Vessel", on the following terms and conditions:

Definitions

"Banking Days" are days (*other than a Saturday and Sunday*) on which banks are open ~~both~~ in all of *Tokyo, Piraeus/Greece, London and New York* ~~the country of the currency stipulated for the Purchase Price in~~ Clause 1 ~~(Purchase Price)~~ and in the place of closing stipulated in Clause 8 (Documentation) and _____ (*add additional jurisdictions as appropriate)*.

~~"Buyers' Nominated Flag State" means (*state flag state).*~~

"BBCP" means a bareboat Charter Party dated [ ] agreed between the Sellers as the charterers and the Buyers as the owners in respect of the Vessel, which includes any addendum thereto.

"Charterers" means the Sellers who are the bareboat charterer under the BBCP.

"Owners" means the Buyers who are the owner under the BBCP.

"Class" means the class notation referred to above.

"Classification Society" means the Society referred to above.

~~"Deposit" shall have the meaning given in~~ Clause 2 ~~(Deposit)~~

~~"Deposit Holder" means _____ *(state name and location of Deposit Holder)* or, if left blank, the Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.~~

"In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a registered letter, e-mail or telefax.

"Parties" means the Sellers and the Buyers.

"Purchase Price" means the price for the Vessel as stated in Clause 1 (Purchase Price).

"Sellers' Account" means *an account held with Sellers' Bank* ~~(state details of bank account)~~ at the Sellers' Bank *notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price*.

"Sellers' Bank" means *such banks or banks* ~~(*state name of bank, branch and details*) or, if left blank, the bank~~ notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price**.**

1. Purchase Price

The Purchase Price is USD [ ] ~~(*state currency and amount both in words and figures*).~~

2. ~~Deposit~~

~~As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of __% (__per cent) or, if left blank, 10% (ten per cent), of the Purchase Price (the "Deposit") in an interest bearing account for the Parties with the Deposit Holder within three (3) Banking Days after the date that:~~

(i) ~~this Agreement has been signed by the Parties and exchanged in original or by e-mail or telefax; and~~

(ii) ~~the Deposit Holder has confirmed in writing to the Parties that the account has been opened~~.

~~The Deposit shall be released in accordance with joint written instructions of the Parties. Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder all necessary documentation to open and maintain the account without delay.~~

3. Payment

~~On delivery of the Vessel, but not later than three (3) Banking Days after the date that Notice of Readiness has been given in accordance with Clause 5 (Time and place of delivery and notices):~~

(i) ~~the Deposit shall be released to the Sellers; and~~

(ii) ~~the balance of the~~ Purchase Price and all other sums payable on delivery by the Buyers to the Sellers under this Agreement shall be ~~paid~~ *remitted* in full free of bank charges to ~~the~~ *a suspense account with* Sellers' ~~Account~~ *Bank and held to Buyers' order at least three (3) Banking Days prior to the expected time of delivery of the Vessel in order for the Sellers' Bank to confirm that the Purchase Price is in the Sellers' Bank before the expected delivery date. Buyers' remittance to such account shall be accompanied by a SWIFT (MT199) message to confirm that the Purchase Price is to be released to Sellers upon presentation of a copy of the Protocol of Delivery and Acceptance duly signed by the authorized signatories of both the Sellers and the Buyers, including that the Sellers' Bank shall return such funds in full without any deductions if delivery has for any reason not taken place within Five (5) Banking Days from the date of transfer to the Sellers' Bank.*

4. Inspection

The Buyers have waived their rights to inspect the Vessel and have accepted the Vessel as is where is, subject to Clause 11 hereof. Instead of such inspections, the Buyers have received copies of colour photos of the Vessel from the Sellers. The Buyers have also inspected the Vessel's class records. Therefore the sale is outright and definite subject only to the terms and conditions of this Agreement and of the BBCP.

~~**(a)*** The Buyers have inspected and accepted the Vessel's classification records. The Buyers have also inspected the Vessel at/in_____(*state place*) on_____(*state date*) and have accepted the Vessel following this inspection and the sale is outright and definite, subject only to the terms and conditions of this Agreement.~~

~~**(b)*** The Buyers shall have the right to inspect the Vessel's classification records and declare whether same are accepted or not within_____(*state date/period*).~~

~~The Sellers shall make the Vessel available for inspection at/in_____(*state place/range*) within (*state date/period*).~~

~~The Buyers shall undertake the inspection without undue delay to the Vessel. Should the Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred.~~

~~The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.~~

~~During the inspection, the Vessel's deck and engine log books shall be made available for examination by the Buyers.~~

~~The sale shall become outright and definite, subject only to the terms and conditions of this Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from the Buyers within seventy-two (72) hours after completion of such inspection or after the date/last day of the period stated in Line 59, whichever is earlier.~~

~~Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of the Vessel's classification records and/or of the Vessel not be received by the Sellers as aforesaid, the Deposit together with interest earned, if any, shall be released immediately to the Buyers, whereafter this Agreement shall be null and void.~~

~~**4(a)* and *4(b)* are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 4(a) shall apply.~~

5. Time and place of delivery and notices

(a) The Vessel shall be delivered and taken over ~~safely afloat at a safe and accessible berth or anchorage at~~/in *worldwide* ~~*(state place/range)*~~ in the Sellers' option. ~~Notice of Readiness shall not be tendered before: _____ (*date*)~~

Cancelling Date (see Clauses 5(c)~~, 6 (a)(i),~~ 6 (a) (iii) and 14): *the date which is the earlier of (a)* 30th June, *2021 or (b) such other date as the Buyers and Sellers may agree.*

(b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall provide the Buyers with ~~twenty (20) ten (10), and five (5) and~~ three (3) *approximate* days' notice *and 1 day definite notice* of the date ~~the Sellers intend to tender Notice of Readiness and of the intended place~~ of delivery.

~~When the Vessel is at the place of delivery and physically ready for delivery in accordance with this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.~~

(c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing stating the date when they anticipate that the Vessel will be ready for delivery and proposing a new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3) Banking Days of receipt of the notice or of accepting the new date as the new Cancelling Date. If the Buyers have not declared their option within three (3) Banking Days of receipt of the Sellers' notification or if the Buyers accept the new date, the date proposed in the Sellers' notification shall be deemed to be the new Cancelling Date and shall be substituted for the Cancelling Date stipulated in line 79.

If this Agreement is maintained with the new Cancelling Date all other terms and conditions hereof including those contained in Clauses 5(b) and 5(d) shall remain unaltered and in full force and effect.

(d) Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers' Default) for the Vessel not being ready by the original Cancelling Date.

(e) Should the Vessel become an actual, constructive or compromised total loss before delivery ~~the Deposit together with interest earned, if any, shall be released immediately to the Buyers~~ ~~whereafter~~ this Agreement shall be null and void.

6. Divers Inspection / Drydocking

~~**(a)***~~

~~**(i)** The Buyers shall have the option at their cost and expense to arrange for an underwater inspection by a diver approved by the Classification Society prior to the delivery of the Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement. The Sellers shall at their cost and expense make the Vessel available for such inspection. This inspection shall be carried out without undue delay and in the presence of a Classification Society surveyor arranged for by the Sellers and paid for by the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's inspection as observer(s) only without interfering with the work or decisions of the Classification Society surveyor. The extent of the inspection and the conditions under which it is performed shall be to the satisfaction of the Classification Society. If the conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at their cost and expense make the Vessel available at a suitable alternative place near to the delivery port, in which event the Cancelling Date shall be extended by the additional time required for such positioning and the subsequent re-positioning. The Sellers may not tender Notice of Readiness prior to completion of the underwater inspection.~~

~~**(ii)** If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, then (1) unless repairs can be carried out afloat to the satisfaction of the Classification Society, the Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules (2) such defects shall be made good by the Sellers at their cost and expense to the satisfaction of the Classification Society without condition/recommendation** and (3) the Sellers shall pay for the underwater inspection and the Classification Society's attendance.~~

Notwithstanding anything to the contrary in this Agreement, if the Classification Society do not require the aforementioned defects to be rectified before the next class drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects against a deduction from the Purchase Price of the estimated direct cost (of labour and materials) of carrying out the repairs to the satisfaction of the Classification Society, whereafter the Buyers shall have no further rights whatsoever in respect of the defects

and/or repairs. The estimated direct cost of the repairs shall be the average of quotes for the repair work obtained from two reputable independent shipyards at or in the vicinity of the port of delivery, one to be obtained by each of the Parties within two (2) Banking Days from the date of the imposition of the condition/recommendation, unless the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within the stipulated time then the quote duly obtained by the other Party shall be the sole basis for the estimate of the direct repair costs. The Sellers may not tender Notice of Readiness prior to such estimate having been established.

(iii) If the Vessel is to be drydocked pursuant to Clause 6(a)(ii) and no suitable dry-docking facilities are available at the port of delivery, the Sellers shall take the Vessel to a port where suitable drydocking facilities are available, whether within or outside the delivery range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose of this Clause, become the new port of delivery. In such event the Cancelling Date shall be extended by the additional time required for the drydocking and extra steaming, but limited to a maximum of fourteen (14) days.

(b)* The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the Classification Society of the Vessel's underwater parts below the deepest load line, the extent of the inspection being in accordance with the Classification Society's rules. If the rudder, propeller, bottom or other underwater parts below the deepest load line are found broken, damaged or defective so as to affect the Vessel's class, such defects shall be made good at the Sellers' cost and expense to the satisfaction of the Classification Society without condition/recommendation**. In such event the Sellers are also to pay for the costs and expenses in connection with putting the Vessel in and taking her out of drydock, including the drydock dues and the Classification Society's fees. The Sellers shall also pay for these costs and expenses if parts of the tailshaft system are condemned or found defective or broken so as to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and expenses, dues and fees.

(c) If the Vessel is drydocked pursuant to Clause 6 (a)(ii) or 6 (b) above:

(i) The Classification Society may require survey of the tailshaft system, the extent of the survey being to the satisfaction of the Classification surveyor. If such survey is not required by the Classification Society, the Buyers shall have the option to require the tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey being in accordance with the Classification Society's rules for tailshaft survey and consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare whether they require the tailshaft to be drawn and surveyed not later than by the completion of the inspection by the Classification Society. The drawing and refitting of the tailshaft shall be arranged by the Sellers. Should any parts of the tailshaft system be condemned or found defective so as to affect the Vessel's class, those parts shall be renewed or made good at the Sellers' cost and expense to the satisfaction of Classification Society without condition/recommendation**.

(ii) The costs and expenses relating to the survey of the tailshaft system shall be borne by the Buyers unless the Classification Society requires such survey to be carried out or if parts of the system are condemned or found defective or broken so as to affect the Vessel's class, in which case the Sellers shall pay these costs and expenses.

(iii) The Buyers' representative(s) shall have the right to be present in the drydock, as observer(s) only without interfering with the work or decisions of the Classification Society surveyor.

(iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned and painted at their risk, cost and expense without interfering with the Sellers' or the Classification Society surveyor's work, if any, and without affecting the Vessel's timely delivery. If, however, the Buyers' work in drydock is still in progress when the Sellers have completed the work which the Sellers are required to do, the additional

docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and expense. In the event that the Buyers' work requires such additional time, the Sellers may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in drydock or not.

*6 (a) and 6 (b) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 6 (a) shall apply.

**Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.

7. Spares, bunkers and other items

The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board and on shore. 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 inspection *delivery* used or unused, whether on board or not shall become the Buyers' property, but spares on order are excluded. Forwarding charges, if any, shall be for the Buyers' account. The Sellers are not required to replace spare parts including spare tail-end shaft(s) and spare propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to delivery, but the replaced items shall be the property of the Buyers. Unused stores and provisions shall be included in the sale and be taken over by the Buyers without extra payment.

Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's personal belongings including the slop chest are excluded from the sale without compensation, as well as the following additional items:_____*(include list)*

Items on board which are on hire or owned by third parties, listed as follows, are excluded from the sale without compensation:_____*(include list)*

Items on board at the time of inspection *delivery* which are on hire or owned by third parties, not listed above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.

Any remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums shall remain the property of the Sellers.

The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and greases in storage tanks and unopened drums and pay either:

(a) *the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or

(b) *the current net market price (excluding barging expenses) at the port and date of delivery of the Vessel or, if unavailable, at the nearest bunkering port,

for the quantities taken over.

Payment under this Clause shall be made at the same time and place and in the same currency as the Purchase Price.

"inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspection), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.

*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions alternative (a) shall apply.

8. Documentation

The place of closing: **Imabari or Tokyo, Japan or Piraeus, Greece**

In exchange for payment of the Purchase Price the Seller shall furnish the Buyers with delivery documents reasonably required by the Buyers. There documents shall be listed in an addendum hereto, namely "Addendum no.1: List of delivery documents"

(a) In exchange for payment of the Purchase Price the Sellers shall provide the Buyers with the following delivery documents:

(i) Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State, transferring title of the Vessel and stating that the Vessel is free from all mortgages, encumbrances and maritime liens or any other debts whatsoever, duly notarially attested and legalised or apostilled, as required by the Buyers' Nominated Flag State;

(ii) Evidence that all necessary corporate, shareholder and other action has been taken by the Sellers to authorise the execution, delivery and performance of this Agreement;

(iii) Power of Attorney of the Sellers appointing one or more representatives to act on behalf of the Sellers in the performance of this Agreement, duly notarially attested and legalized or apostilled (as appropriate);

(iv) Certificate or Transcript of Registry issued by the competent authorities of the flag state on the date of delivery evidencing the Sellers' ownership of the Vessel and that the Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by such authority to the closing meeting with the original to be sent to the Buyers as soon as possible after delivery of the Vessel;

(v) Declaration of Class or (depending on the Classification Society) a Class Maintenance Certificate issued within three (3) Banking Days prior to delivery confirming that the Vessel is in Class free of condition/recommendation;

(vi) Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that the registry does not as a matter of practice issue such documentation immediately, a written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith and provide a certificate or other official evidence of deletion to the Buyers promptly and latest within four (4) weeks after the Purchase Price has been paid and the Vessel has been delivered;

(vii) A copy of the Vessel's Continuous Synopsis Record certifying the date on which the Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry does not as a matter of practice issue such certificate immediately, a written undertaking from the Sellers to provide the copy of this certificate promptly upon it being issued together with evidence of submission by the Sellers of a duly executed Form 2 stating the date on which the Vessel shall cease to be registered with the Vessel's registry;

(viii) Commercial Invoice for the Vessel;

(ix) Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;

(x) A copy of the Sellers' letter to their satellite communication provider cancelling the Vessel's communications contract which is to be sent immediately after delivery of the Vessel;

(xi) Any additional documents as may reasonably be required by the competent authorities of the Buyers' Nominated Flag State for the purpose of registering the Vessel, provided the Buyers notify the Sellers of any such documents as soon as possible after the date of this Agreement; and

(xii) The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not black listed by any nation or international organisation.

(b) At the time of delivery the Buyers shall provide the Sellers with:

(i) Evidence that all necessary corporate, shareholder and other action has been taken by the Buyers to authorise the execution, delivery and performance of this Agreement; and

(ii) Power of Attorney of the Buyers appointing one or more representatives to act on behalf of the Buyers in the performance of this Agreement, duly notarially attested and legalized or apostilled (as appropriate).

(c) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English language they shall be accompanied by an English translation by an authorised translator or certified by a lawyer qualified to practice in the country of the translated language.

(d) The Parties shall to the extent possible exchange copies, drafts or samples of the documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the other party not later than _____ (*state number of days),* or if left blank, nine (9) days prior to the Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this Agreement.

(e) Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above, the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,

drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other certificates which are on board the Vessel shall also be handed over to the Buyers unless the Sellers are required to retain same, in which case the Buyers have the right to take copies.

(f) Other technical documentation which may be in the Sellers' possession shall promptly after delivery be forwarded to the Buyers at their expense, if they so request. The Sellers may keep the Vessel's log books but the Buyers have the right to take copies of same.

(g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

9. Encumbrances

The Sellers warrant that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages, claims 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.

10. Taxes, fees and expenses

Any taxes, fees and expenses in connection with the purchase and registration in Panama the Buyers' Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.

11. Condition on delivery

See also additional Clause 19 (Delivery under BBCP)

The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, but subject to the terms and conditions of this Agreement she shall be delivered and taken over *"*as *is where is"* she was *but substantially in the same condition with the class status* at the time of inspection *of Vessel's class survey report on December 29th, 2020.*, fair, wear and tear excepted. However, the Vessel shall be delivered free of cargo and free of stowaways with her Class maintained without condition/recommendation*, free of average damage affecting the Vessel's class, and with her classification certificates and national certificates, as well as all other certificates the Vessel had at the time of inspection, valid and unextended without condition/recommendation* by the Classification Society or the relevant authorities at the time of delivery.

"inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or 4(b) (Inspections), if applicable. If the Vessel is taken over without inspection, the date of this Agreement shall be the relevant date.

**Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification Society without condition/recommendation are not to be taken into account.*

12. Name/markings

Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel markings.

13. Buyers' default

Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the right to cancel this Agreement, and they shall be entitled to claim compensation for their losses and for all expenses incurred together with interest.

Should the Purchase Price not be paid in accordance with Clause 3 (Payment), the Sellers have the right to cancel this Agreement, in which case the Deposit together with interest earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the Sellers shall be entitled to *and* claim further compensation for their losses and for all *reasonable* expenses incurred together with interest.

14. Sellers' default

Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be ready to validly complete a legal transfer by the Cancelling Date, the Buyers shall have the option of cancelling this Agreement *and*. If after Notice of Readiness has been given but before the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancelling Date and new Notice of Readiness given, the Buyers shall retain their option to cancel. In the event that the Buyers elect to cancel this Agreement, the Deposit together with interest earned, if any, shall be released to them immediately.

~~Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to validly complete a legal transfer as aforesaid they~~ the Sellers shall make due compensation to the Buyers for their loss and for ~~all~~ *reasonable* expenses ~~together with interest if their failure is due to proven negligence and whether or not the Buyers cancel this Agreement.~~

15. Buyers' representatives

~~After this Agreement has been signed by the Parties and the Deposit has been lodged, the Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and expense.~~

~~These representatives are 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. The Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of indemnity prior to their embarkation.~~

16. Law and Arbitration

(a) *This Agreement shall be governed by and construed in accordance with English law and 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.

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 a sole arbitrator shall be binding on both Parties as if the sole arbitrator had been appointed by agreement.

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.

~~**(b)** * This Agreement shall be governed by and construed in accordance with Title 9 of the United States Code and the substantive law (not including the choice of law rules) of the State of New York and any dispute arising out of or in connection with this Agreement 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; 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$ 100,000 the arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators, Inc.~~

~~**(c)** This Agreement shall be governed by and construed in accordance with the laws of _____ (*state place)* and any dispute arising out of or in connection with this Agreement shall be referred to arbitration at _____ (*state place),* subject to the procedures applicable there.~~

~~**16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable. In the absence of deletions, alternative 16(a) shall apply.*~~

17. Notices

All notices to be provided under this Agreement shall be in writing.
Contact details for recipients of notices are as follows:

For the Buyers: **C/O Doun Kisen Co., Ltd.**
Address : 1307-8, Koh Goh, Namikata-cho, Imabari City, Ehime Prefecture, 799-2110, Japan
Telephone: +81-898-43-7733
Telefax +81-898-43-7727
E-mail : sale-purchase@doun.co.jp

For the Sellers: **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

18. Entire Agreement

The written terms of this Agreement and the BBCP 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 relation thereto.

Each of the Parties 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 is expressly set out in this Agreement.

Any terms implied into this Agreement by any applicable statute or law 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.

19. *The Buyers (as the Owners) and the Sellers (as the Charterers) have entered into the BBCP, whereunder the Vessel is to be chartered to the Charterer on delivery for such period and on such terms and conditions more particularly described in the BBCP. It is agreed that the Vessel will be delivered by Buyers to Sellers as charterers under the BBCP simultaneously with their taking delivery under this Agreement, and the Sellers' obligation to deliver the Vessel to the Buyers under this Agreement is strictly subject to the Buyers' Obligation to deliver the Vessel to the Sellers under the BBCP.*

20. Confidentiality

Save as provided in Paragraph (b) below, the details of this Agreement and all the other relevant documents, negotiations, fixtures, and written correspondence are to be kept strictly confidential amongst all parties concerned, provided that:

(a) the Sellers/Buyers may make disclosures documents or information with respect to this Agreement to third party with the express prior written consent of the other party; and

(b) the Sellers/Buyers may make appropriate disclosure and subject to similar disclosure restrictions to their respective shareholders or prospective shareholders, bankers or other financiers, or professional advisors, or as necessary to rating agencies, or as required by the rules or regulations or practice of SEC and/or NYSE or of any applicable stock exchange or similar body (whether or not having the force of law), or as required by any court order or any applicable law, rule or regulation.

XXXXXXXX
For and on behalf of the Sellers

Name: _____
Title: Attorney-in-Fact

XXXXXXXX
For and on behalf of the Buyers

Name: _____
Title: Attorney-in-fact

ADDENDUM No. 1

between

XXXXXXXX of Marshall Islands,

(the "Seller")

and

XXXXXXXX of Panama

(the "Buyer")

This Addendum No. 1 dated May, 2021 is supplemental to the Memorandum of Agreement dated May 2021 (the "MOA") in respect of the sale and purchase of the Panama flag MV "[ ] (the "Vessel")

Words and expression defined in the MOA shall have the same meaning when used herein.

IT IS HEREBY MUTUALLY AGREED:

In exchange for payment of the Purchase Price, and all additional sums payable under the MOA on delivery of the Vessel, the Sellers and the Buyers shall exchange the following delivery documents (all in the English language or translated into English language by a sworn translator or duly admitted and practicing lawyer):

A. The Seller shall deliver to the Buyer on delivery the following;

1. Two (2) original legal Bills of Sale in British 10A form, in favor of the Buyers, notarized and apostilled, evidencing the transfer of all of the shares and interest in and title to the Vessel to the Buyers and stating that the Vessel is free from all encumbrances, mortgages, maritime liens or any other debts whatsoever.

2. One (1) original Minutes of a Meeting of the Board of Directors of the Sellers approving, authorizing and confirming the sale of the Vessel to the Buyers, adopting, ratifying and confirming the MOA and any addenda thereto, and authorizing persons to conclude the sale, transfer and deliver the Vessel to the Buyers and sign, execute and deliver on behalf of the Sellers all documents pertaining to the transaction, including without limitation Bill of Sale, Protocol of Delivery and Acceptance, etc., to act in all respects in relation to the sale of the Vessel and receiving the Vessel's Purchase Price and other sums payable by the Buyers and also authorizing the execution of Power(s) of Attorney empowering attorney(s)-in-fact to execute and deliver such document and take such steps as may be necessary or appropriate in order to transfer and deliver the Vessel to the Buyers. These Minutes of a Meeting of the Board of Directors of the Sellers shall be duly legalized and apostilled.

3. One (1) original Power of Attorney duly executed by the Sellers, and duly legalized and apostilled, authorizing their named representative(s) to effect the sale of the Vessel to the Buyers including attending documentary closing, carrying out any delivery / closing formalities, including receiving the Deposit and the Balance, and any other amounts pursuant to the MOA, entering into an escrow agreement in respect of holding and releasing the Deposit and issuing, delivering any releases or other ancillary documents in connection with the Deposit and effecting physical delivery of the Vessel, and all dealing with the Panamanian maritime Authorities.

4. One (1) Certificate of Incorporation issued by the Public Registry of Marshall Islands, duly certified by a Director or by lawyer, as a true copy.

5. A certified true copy of the Articles of Incorporation of the Sellers by a Director of the Sellers or by lawyer, as a true copy.

6. A faxed/scan copy of Certificates of Ownership and Encumbrances issued in respect of the Vessel by the Panamanian Ships Registry dated not earlier than one (1) banking days before the date of delivery evidencing the Vessel registered in the ownership of the Vessel with no registered encumbrances and mortgage with the original to be sent to the Buyers as soon as possible after delivery of the Vessel.

7. Class Maintenance Certificate dated not earlier than five (5) Banking Days prior to the expected date of delivery, confirming the Vessel's class is maintained.

8. One (1) set of commercial invoice for the Vessel to be executed by the Sellers.

9. Two sets of Protocol of Delivery and Acceptance.

10. Certificate of Good Standing of the Sellers dated not more than 15 days before delivery of the Vessel.

B. The Buyers shall provide Sellers at the Closing with the following documents:

1. Original Power of Attorney issued by the Buyers authorising and empowering named attorneys-in-fact to act on behalf of the Buyers and represent them in all matters in connection with the purchase of the Vessel, pursuant to the MOA, releasing of the purchase money, signing of the Bills of Sale, the Protocol of Delivery and Acceptance and attending all relevant matters, notarized and apostilled in Japan.

2. Written Resolutions of the Board of Directors of the Buyers authorizing the purchase of the Vessel as per MOA, and authorizing attorney(s)-in-fact to act on behalf of the Buyers and represent the Buyers in all matters relating to the purchase of the Vessel, release of the purchase money, signing Protocol of Delivery and Acceptance and attending all relevant matters. This document to be notarized and apostilled in Japan.

3. Certificate of Good Standing dated not more than 15 days before delivery of the Vessel.

All other terms and conditions in the said Memorandum of Agreement shall remain unaltered and in full force.

For and on behalf of the Sellers	For and on behalf of the Buyers
Name :.	Name :
Title: Attorney-in-fact	Title : Attorney-in-fact

(iii) The Sellers further warrant that the Vessel is not a designated vessel and is not and will not be chartered to any entity or transport any cargo contrary to the restrictions or prohibitions in sub-clause (a).

(iv) The Buyers further warrant that the Vessel will not be used in any trade which is subject to any sanctions, restrictions, prohibitions or designations referred to in sub-clause a).

(c) If at any time during the performance of this Agreement, either party becomes. aware that the other party is in breach of warranty as aforesaid, 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 regulatory or administrative body, acting with powers to compel compliance. In the absence of any such orders, directions, laws or regulations, the party not in breach may terminate this Agreement forthwith.

(d) Notwithstanding anything in this Clause to the contrary, Buyers and Sellers 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.

(e) Buyers and Sellers shall be liable to indemnify the other party against any and all claims, including return of any deposit or all or any part of the purchase price, losses, damage, costs and fines whatsoever suffered by the other party resulting from any breach of warranty as aforesaid and in accordance with this Agreement.

[ ]
For and on behalf of the Sellers

/s/ Shunji Sasada
Name: Shunji Sasada
Title: Attorney-in-Fact

MI-DAS LINE S.A.
For and on behalf of the Buyers

/s/ Genji Ohkouchi
Name: Genji Ohkouchi
Title: Attorney-in-fact

Exhibit 8.1

List of Subsidiaries of Navios Maritime Partners L.P.

Libra Shipping Enterprises Corporation
Alegria Shipping Corporation
Felicity Shipping Corporation
Gemini Shipping Corporation
Galaxy Shipping Corporation
Aurora Shipping Enterprises Ltd.
Palermo Shipping S.A.
Fantastiks Shipping Corporation
Sagittarius Shipping Corporation
Hyperion Enterprises Inc.
Chilali Corp.
Surf Maritime Co.
Pandora Marine Inc.
Customized Development S.A.
Kohylia Shipmanagement S.A.
Orbiter Shipping Corp.
Floral Marine Ltd.
Golem Navigation Limited
Kymata Shipping Co.
Joy Shipping Corporation
Micaela Shipping Corporation
Pearl Shipping Corporation
Velvet Shipping Corporation
Perigiali Navigation Limited
Finian Navigation Co.
Ammos Shipping Corp.
Wave Shipping Corp.
Casual Shipholding Co.
Avery Shipping Company
Coasters Ventures Ltd.
Ianthe Maritime S.A.
Rubina Shipping Corporation
Topaz Shipping Corporation
Beryl Shipping Corporation
Cheryl Shipping Corporation
Christal Shipping Corporation
Fairy Shipping Corporation
Limestone Shipping Corporation
Dune Shipping Corp.
Citrine Shipping Corporation

Cavalli Navigation Inc.
Seymour Trading Limited
Goldie Services Company
Andromeda Shiptrade Limited
Esmeralda Shipping Corporation
Triangle Shipping Corporation
Oceanus Shipping Corporation
Cronus Shipping Corporation
Leto Shipping Corporation
Dionysus Shipping Corporation
Prometheus Shipping Corporation
Camelia Shipping Inc.
Anthos Shipping Inc.
Azalea Shipping Inc.
Amaryllis Shipping Inc.
Zaffre Shipping Corporation
Wenge Shipping Corporation
Sunstone Shipping Corporation
Fandango Shipping Corporation
Flavescent Shipping Corporation
Emery Shipping Corporation
Rondine Management Corp.
Prosperity Shipping Corporation
Aldebaran Shipping Corporation
JTC Shipping and Trading Ltd.
Navios Maritime Partners L.P.
Navios Partners Finance (US) Inc.
Navios Partners Europe Finance Inc.
Solange Shipping Ltd.
Mandora Shipping Ltd.
Olympia II Navigation Limited
Pingel Navigation Limited
Ebba Navigation Limited
Clan Navigation Limited
Sui An Navigation Limited
Bertyl Ventures Co.
Silvanus Marine Company
Anthimar Marine Inc.
Enplo Shipping Limited
Morven Chartering Inc.
Rodman Maritime Corp.
Isolde Shipping Inc.
Velour Management Corp.
Evian Shiptrade Ltd.
Theros Ventures Limited
Legato Shipholding Inc.

Inastros Maritime Corp.
Zoner Shiptrade S.A.
Jasmer Shipholding Ltd.
Thetida Marine Co.
Jaspero Shiptrade S.A.
Peran Maritime Inc.
Nefeli Navigation S.A.
Crayon Shipping Ltd
Chernava Marine Corp.
Proteus Shiptrade S.A
Vythos Marine Corp.
Navios Maritime Containers Sub L.P.
Navios Partners Containers Finance Inc.
Boheme Navigation Company
Navios Partners Containers Inc.
Iliada Shipping S.A.
Vinetree Marine Company
Afros Maritime Inc.
Cavos Navigation Co.
Perivoia Shipmanagement Co.
Pleione Management Limited
Bato Marine Corp.
Agron Navigation Company
Teuta Maritime S.A.
Ambracia Navigation Company
Artala Shipping Co.
Migen Shipmanagement Ltd.
Bole Shipping Corporation
Brandeis Shipping Corporation
Buff Shipping Corporation
Morganite Shipping Corporation
Balder Martitime Ltd.
Melpomene Shipping Corporation
Urania Shipping Corporation
Terpsichore Shipping Corporation
Erato Shipping Corporation
Lavender Shipping Corporation
Nostos Shipmanagement Corp.
Navios Maritime Acquisition Corporation
Navios Acquisition Europe Finance Inc.
Navios Acquisition Finance (US) Inc.
Navios Maritime Midstream Partners GP LLC
Letil Navigation Ltd.
Navios Maritime Midstream Partners Finance (US) Inc.
Aegean Sea Maritime Holdings Inc.
Amorgos Shipping Corporation
Andros Shipping Corporation
Antikithira Shipping Corporation
Antiparos Shipping Corporation
Antipaxos Shipping Corporation

Antipsara Shipping Corporation
Crete Shipping Corporation
Delos Shipping Corporation
Folegandros Shipping Corporation
Ikaria Shipping Corporation
Ios Shipping Corporation
Iraklia Shipping Corporation
Kimolos Shipping Corporation
Kithira Shipping Corporation
Kos Shipping Corporation
Lefkada Shipping Corporation
Leros Shipping Corporation
Mytilene Shipping Corporation
Oinousses Shipping Corporation
Psara Shipping Corporation
Rhodes Shipping Corporation
Samos Shipping Corporation
Samothrace Shipping Corporation
Serifos Shipping Corporation
Sifnos Shipping Corporation
Skiathos Shipping Corporation
Skopelos Shipping Corporation
Skyros Shipping Corporation
Syros Shipping Corporation
Thera Shipping Corporation
Tilos Shipping Corporation
Tinos Shipping Corporation
Zakynthos Shipping Corporation
Cyrus Investments Corp.
Olivia Enterprises Corp.
Limnos Shipping Corporation
Thasos Shipping Corporation
Agistri Shipping Limited
Paxos Shipping Corporation
Donoussa Shipping Corporation
Schinousa Shipping Corporation
Alonnisos Shipping Corporation
Makronisos Shipping Corporation
Shinyo Loyalty Limited
Shinyo Navigator Limited
Amindra Navigation Co.
Navios Maritime Midstream Partners L.P.
Navios Maritime Midstream Operating LLC
Shinyo Dream Limited
Shinyo Kannika Limited
Shinyo Kieran Limited
Shinyo Ocean Limited
Shinyo Saowalak Limited
Sikinos Shipping Corporation
Kerkyra Shipping Corporation

Doxa International Corp.
Alkmene Shipping Corporation
Aphrodite Shipping Corporation
Dione Shipping Corporation
Persephone Shipping Corporation
Rhea Shipping Corporation
Tzia Shipping Corporation
Boysenberry Shipping Corporation
Cadmium Shipping Corporation
Celadon Shipping Corporation
Cerulean Shipping Corporation
Kleio Shipping Corporation
Polymnia Shipping Corporation
Goddess Shiptrade Inc.
Navios Acquisition Merger Sub.Inc.
Aramis Navigation Inc.
Thalia Shipping Corporation
Muses Shipping Corporation
Euterpe Shipping Corporation
Calliope Shipping Corporation

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, 2021 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 12, 2022

/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, 2021 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 12, 2022

/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, 2021 (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 12, 2022

/s/ Angeliki Frangou
Angeliki Frangou
Chief Executive Officer

Dated: April 12, 2022

/s/ Erifyli Tsironi
Erifyli Tsironi
Chief Financial Officer

Exhibit 15.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333-237934) of Navios Maritime Partners L.P. of our report dated March 31, 2021 relating to the financial statements, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece
April 12, 2022

Exhibit 15.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-237934) of Navios Maritime Partners L.P. and in the related Prospectus of our reports dated April 12, 2022, 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, 2021.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 12, 2022

Exhibit 15.3

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-237934) of Navios Maritime Partners L.P. and in the related Prospectus of our report dated April 12, 2022, with respect to the consolidated financial statements of Navios Maritime Containers Sub L.P., included as an Exhibit 15.5 in this Annual Report (Form 20-F) for the year ended December 31, 2021.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 12, 2022

Exhibit 15.4

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form F-3 No. 333-237934) of Navios Maritime Partners L.P. and in the related Prospectus of our report dated April 12, 2022, with respect to the consolidated financial statements of Navios Maritime Acquisition Corporation, included as an Exhibit 15.6 in this Annual Report (Form 20-F) for the year ended December 31, 2021.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 12, 2022

Exhibit 15.5

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

To the Partners of Navios Maritime Containers Sub L.P.

Opinion

We have audited the accompanying consolidated financial statements of Navios Maritime Containers Sub L.P. (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and 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, 2021, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for the three years in the period ended December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 12, 2022

NAVIOS MARITIME CONTAINERS SUB L.P.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	3,9	$ 6,487	$ 7,573
Accounts receivable, net	4	3,652	3,456
Inventories		4,664	4,505
Balance due from parent group companies	9,12	381	—
Balance due from related parties, current	12	—	150
Loans receivable from parent group companies, current portion	9,12	6,599	—
Other current assets	5	1,036	674
Prepaid expenses		231	326
Total current assets		**23,050**	**16,684**
Non-current assets			
Vessels, net	6	370,220	384,970
Deferred drydock and special survey costs, net		36,127	19,068
Balance due from related parties, non-current	9,12	8,157	8,436
Loans receivable from parent group companies, non-current portion	9,12	37,850	—
Other long-term assets		1,501	1,632
Total non-current assets		**453,855**	**414,106**
Total assets		**$ 476,905**	**$ 430,790**
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable		$ 1,870	$ 3,168
Accrued expenses	11	2,793	2,813
Deferred income and cash received in advance		6,429	1,105
Balance due to related parties, current	9,12	14,859	—
Financial liabilities short term, net of deferred finance costs	8,9	19,661	22,165
Current portion of long-term debt, net of deferred finance costs	8,9	26,277	10,611
Total current liabilities		**71,889**	**39,862**
Non-current liabilities			
Long-term financial liabilities, net of current portion and net of deferred finance costs	8,9	130,190	154,272
Long-term debt, net of current portion and net of deferred finance costs	8,9	47,096	45,111
Other long-term liabilities		2,446	—
Total non-current liabilities		**179,732**	**199,383**
Total liabilities		**251,621**	**239,245**
Commitment and contingencies	11	—	—
Partners' capital			
Common unit holders — 1 and 32,445,577 common units issued and outstanding at December 31, 2021 and December 31, 2020, respectively	1,14	225,284	191,545
Total Partners' capital		**225,284**	**191,545**
Total liabilities and Partners' capital		**$ 476,905**	**$ 430,790**

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS SUB L.P.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue		$ 211,743	$ 127,188	$ 141,532
Time charter and voyage expenses		(4,668)	(6,327)	(5,754)
Direct vessel expenses	12	(12,637)	(5,488)	(4,077)
Vessel operating expenses (entirely through related parties transactions)	12	(67,996)	(69,147)	(65,638)
General and administrative expenses	12	(9,704)	(10,890)	(10,223)
Transaction costs	13	(348)	(1,626)	—
Depreciation and amortization	6,7	(10,419)	(16,598)	(28,647)
Interest income		54	—	—
Interest expense and finance cost	8	(10,543)	(13,912)	(16,846)
Gain on sale of asset	6	26,647	—	—
Other income		—	409	603
Other expense	11,12	(3,390)	(261)	(3,443)
Net income		**$ 118,739**	**$ 3,348**	**$ 7,507**

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS SUB L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Note	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
OPERATING ACTIVITIES:				
Net income		$ 118,739	$ 3,348	$ 7,507
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	6,7	10,419	16,598	28,647
Amortization of deferred financing costs		1,407	2,361	1,943
Amortization of deferred drydock and special survey costs		8,782	5,311	3,639
Gain on sale of asset	6	(26,647)	—	—
Changes in operating assets and liabilities:				
(Increase)/decrease in accounts receivable		(196)	(1,169)	356
Increase in due from parent group companies	12	(381)	—	—
Decrease/(increase) in balance due from related companies, current	12	150	(150)	—
Increase in loans receivable from parent group companies, current	12	(6,599)	—	—
Increase in inventories		(159)	(48)	(3,858)
(Increase)/decrease in other current assets		(362)	4,409	(1,622)
Decrease/(increase) in prepaid expenses		95	(254)	28
Decrease/(increase) in balance due from related parties, non-current		280	(242)	(333)
Increase in loans receivable from parent group companies, non-current	12	(7,701)	—	—
Decrease/(increase) in other long term assets		131	(407)	(127)
(Decrease)/increase in accounts payable		(1,297)	828	(1,230)
(Decrease)/increase in accrued expenses		(20)	885	2,626
Increase/(decrease) in due to related companies		14,859	(15,664)	12,521
Increase/(decrease) in deferred income and cash received in advance		5,324	298	(1,345)
Increase in other long-term liabilities		2,446	—	—
Payments for drydock and special survey costs		(26,503)	(5,416)	(11,776)
Net cash provided by operating activities		**$ 92,767**	**$ 10,688**	**$ 36,976**
INVESTING ACTIVITIES:				
Net cash proceeds from sale of vessels	6	33,893	—	—
Acquisition of/additions to vessels	6,7,12	(2,253)	(581)	(62,513)
Purchase option fee	11	—	(3,000)	—
Net cash provided by/ (used in) investing activities		**$ 31,640**	**$ (3,581)**	**$ (62,513)**
FINANCING ACTIVITIES:				
Proceeds from long-term debt and financial liabilities, net	8	—	119,060	125,022
Repayment of long-term debt and financial liabilities	8	(40,469)	(132,400)	(98,417)
Debt issuance costs		(24)	(2,520)	(1,851)
Cash distributions paid	15	(85,000)	—	—
Repurchase of common units	14	—	(1,783)	—
Net cash (used in)/ provided by financing activities		**$ (125,493)**	**$ (17,643)**	**$ 24,754**
Net decrease in cash and cash equivalents and restricted cash		(1,086)	(10,536)	(783)
Cash and cash equivalents and restricted cash, beginning of period		**7,573**	**18,109**	**18,892**
Cash and cash equivalents and restricted cash, end of period		**$ 6,487**	**$ 7,573**	**$ 18,109**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash paid for interest, net		$ 9,131	$ 12,016	$ 14,296

See notes to consolidated financial statements.

NAVIOS MARITIME CONTAINERS SUB L.P.
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. dollars except unit and per unit data)

	Note	Common unit holders		Total Partners' Capital
		Units	Amount	
Balance, December 31, 2018		**34,603,100**	**$182,473**	**$182,473**
Net income		—	7,507	7,507
Balance, December 31, 2019		**34,603,100**	**$189,980**	**$189,980**
Repurchase of common units	14	(2,157,523)	(1,783)	(1,783)
Net income		—	3,348	3,348
Balance, December 31, 2020		**32,445,577**	**$191,545**	**$191,545**
Cancelation of units	14	(32,445,576)	—	—
Dividends paid	15	—	(85,000)	(85,000)
Net income		—	118,739	118,739
Balance, December 31, 2021		**1**	**$225,284**	**$225,284**

See notes to the consolidated financial statements.

NOTE 1: DESCRIPTION OF BUSINESS

Navios Maritime Containers Inc. ("Navios Containers Inc.") was incorporated on April 28, 2017 under the laws of the Republic of the Marshall Islands.

Conversion into Limited Partnership

On November 30, 2018, Navios Containers Inc. was converted into a limited partnership, Navios Maritime Containers L.P. ("Navios Containers LP"). In connection with the conversion, Navios Maritime Containers GP LLC, a Marshall Islands limited liability company, became the Company's (as defined herein) general partner.

Merger with Navios Partners

On March 31, 2021, Navios Containers LP completed the merger ("Merger") contemplated by the Agreement and Plan of Merger (the "Merger Agreement"), dated as of December 31, 2020, by and among Navios Maritime Partners L.P. ("Navios Partners"), its direct wholly-owned subsidiary NMM Merger Sub LLC ("Merger Sub"), Navios Containers LP and Navios Maritime Containers GP LLC, Navios Containers LP's general partner. Pursuant to the Merger Agreement, Merger Sub merged with and into Navios Containers LP, with Navios Containers LP continuing as the surviving partnership. As a result of the merger, Navios Containers LP became a wholly-owned subsidiary of Navios Partners. Following the exercise of the optional second merger (the "Second Merger"), Navios Containers LP merged with and into Navios Maritime Containers Sub L.P. ("Navios Containers" or the "Company"), with Navios Containers continuing as the surviving partnership, and Migen Shipmanagement Ltd became the Company's general partner. The assets and liabilities of Navios Containers LP were assumed at their book values as part of a reorganization under common control. Consistent with the legal transfer of assets and liabilities, the financial statements have been prepared as a continuation of the activity of the Company. The consolidated financial statements have been prepared giving retrospective effect to the transaction described above. Accordingly, the consolidated financial statements include the historical financial statements of Navios Containers LP for all periods presented.

Under the terms of the Merger Agreement, Navios Partners acquired all of the publicly held common units of Navios Containers LP through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers LP at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers LP common unit.

Upon completion of the 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.

Upon completion of the Merger, the Navios Containers LP common units previously listed on the Nasdaq Global Select Market under the stock symbol "NMCI" were deregistered under the Exchange Act, and cancelled. Following the Second Merger, Migen Shipmanagement Ltd, a wholly owned subsidiary of Navios Partners, owns 100% of the general partner interest and Navios Partners owns 100% of the limited partner interest.

The operations of the Company are managed by Navios Shipmanagement Inc. (the "Manager"), from its offices in Piraeus, Greece, Singapore and Monaco.

As of December 31, 2021, the Company owned 28 container vessels.

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). The Company had no items of other comprehensive income for the years ended December 31, 2021, 2020 and 2019.

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 to continue in operation and meet its financial commitments, including but not limited to capital expenditures, cash from sale of vessels and debt service obligations, for a period of at least twelve months from the date of issuance of these consolidated financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its consolidated financial statements.

(Expressed in thousands of U.S. dollars except unit and per unit data)

(b) Recent Accounting Pronouncements:

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments ("ASU 2021-05"). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of adoption to the consolidated and combined financial statements and related disclosures.

In March 2020, the Financial Accounting Standards Board issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued Accounting Standard Update ("ASU") 2021-01 (Topic 848), which amends and clarifies the existing accounting standard issued in March 2020 ("ASU") 2020-04 for Reference Rate Reform. Reference rates such as LIBOR, are widely used in a broad range of financial instruments and other agreements. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities under way in global financial markets (the "discounting transition"). The ASU 2020-04 is effective for adoption at any time between March 12, 2020 and December 31, 2022, for all entities and the ASU 2021-01 is effective for all entities as of January 7, 2021 through December 31, 2022. As of December 31, 2021, the Company has not made any contract modifications to replace the reference rate in any of its agreements and will continue to evaluate the effects of this standard on its consolidated financial position, results of operations, and cash flows.

(c) Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Navios Containers, a Marshall Islands limited partnership, and its subsidiaries that are all 100% owned. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Subsidiaries: Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill.

Subsidiaries included in the consolidation:

				Statements of Operations		
Company name	**Nature Name**	**Effective Ownership**	**Country of incorporation**	**2021**	**2020**	**2019**
Navios Maritime Containers L.P.	Holding Company	—	Marshall Is.	01/01—05/28	01/01—12/31	01/01—12/31
Navios Maritime Containers Sub L.P.	Holding Company	—	Marshall Is.	03/30—12/31	—	—
Navios Partners Containers Finance Inc.	Sub—Holding Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Navios Partners Containers Inc.	Sub—Holding Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Olympia II Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Pingel Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31

(Expressed in thousands of U.S. dollars except unit and per unit data)

Ebba Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Clan Navigation Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Sui An Navigation Limited	Vessel Owning Company (2)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Bertyl Ventures Co.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Silvanus Marine Company	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Anthimar Marine Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Enplo Shipping Limited	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Morven Chartering Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Rodman Maritime Corp.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Isolde Shipping Inc.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Velour Management Corp.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Evian Shiptrade Ltd.	Vessel Owning Company (1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Boheme Navigation Company	Sub—Holding Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Theros Ventures Limited	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Legato Shipholding Inc.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Inastros Maritime Corp.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Zoner Shiptrade S.A.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Jasmer Shipholding Ltd.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Thetida Marine Co.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Jaspero Shiptrade S.A.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Peran Maritime Inc.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Nefeli Navigation S.A.	Vessel Owning Company(1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	03/13—12/31
Fairy Shipping Corporation	Vessel Owning Company(1)(3)	100%	Marshall Is.	01/01—12/31	01/01—12/31	07/02—12/31
Limestone Shipping Corporation	Vessel Owning Company(1)(3)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Crayon Shipping Ltd	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Chernava Marine Corp.	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Proteus Shiptrade S.A	Vessel Owning Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Vythos Marine Corp.	Vessel Owning Company(1)	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Iliada Shipping S.A.	Operating Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Vinetree Marine Company	Operating Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31
Afros Maritime Inc.	Operating Company	100%	Marshall Is.	01/01—12/31	01/01—12/31	01/01—12/31

(1) Currently, vessel-operating company under the sale and leaseback transactions.
(2) The vessel was sold on July 31, 2021.
(3) Vessel agreed to be sold in February 2022 (see Note 16: Subsequent Events).

(d) 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 disclosure of contingent assets and liabilities as of the dates of the consolidated 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 uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivables, provisions for legal disputes and contingencies. 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.

(e) Cash and Cash Equivalents: Cash and cash equivalents consist from time to time of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.

(f) Insurance Claims: Insurance claims at each balance sheet date consist of claims submitted and/or claims in the process of compilation or submission (claims pending). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reported period, which are probable to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. The classification of insurance claims into current and non-current assets is based on management's expectations as to their collection dates.

(g) Inventories: Inventories, which are comprised of: (i) bunkers (when applicable) on board of the vessels, are valued at cost as determined on the first-in, first-out basis; and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, are valued at cost as determined on the first-in, first-out basis.

(h) Vessels, net: Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. Vessels acquired from entities under common control are recorded at historical cost. Subsequent expenditures for ballast water treatment system, 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. 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 containerships based on a scrap value of $340 per lightweight ton. 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 the depreciation expense in the period of the revision and future periods.

Management estimates the useful life of the Company's vessels to be 30 years from the vessel's 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.

(i) Impairment of Long-Lived Assets: Vessels, other fixed assets and other long-lived assets held and used by the Company 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. The Company's 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. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs related to the vessel and the related carrying value of the intangible assets with respect to the time charter agreement attached to that vessel. 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 then-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.

The management of the Company has considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook. As of December 31, 2021, the Company concluded that events and circumstances did not trigger the existence of potential impairment of its vessels mainly due to the container market improvement and that step one of the impairment analysis was not required.

As of December 31, 2020, the Company concluded that events and circumstances did not trigger the existence of potential impairment of its vessels, mainly due to the container market improvement and that step one of the impairment analysis was not required.

For the year ended December 31, 2019, the management of Navios Containers after considering various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook identified impairment indications for 12 of its vessels. In this respect, the Company performed an impairment analysis (step one) to estimate the future undiscounted cash flows for each of these vessels.

The assessment concluded that step two of the impairment analysis was not required and that no impairment of vessels existed for the year ended December 31, 2019, as the undiscounted projected net operating cash flows exceeded the carrying values.

In the event that impairment would occur, the fair value of the related asset would be determined and a charge would be recognized in the consolidated statements of operations calculated by comparing the asset's carrying value to its fair value. Fair value is estimated primarily through the use of third-party valuations performed on an individual vessel basis.

(j) Deferred Drydock and Special Survey Costs: The Company's vessels are subject to regularly scheduled drydocking and special surveys which are carried out every 30 or 60 months to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained and under certain conditions. The costs 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. Unamortized drydocking or special survey costs of vessels sold are written-off to the consolidated statements of operations in the year the vessel is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. The amortization expense for the years ended December 31, 2021, 2020 and 2019 was $8,782, $5,311 and $3,639, respectively.

(k) Deferred Financing Costs: Deferred financing costs include fees, commissions and legal expenses associated with obtaining or modifying loan facilities. Deferred financing costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related debt using the effective interest rate method, and are presented under the caption "Interest expense and finance cost" in the consolidated statements of operations. The total deferred unamortized financing costs, net were $2,326 and $3,711 as of December 31, 2021 and 2020, respectively, and were presented net under the caption "Current portion of long-term debt, net of deferred finance costs", "Financial liabilities short term, net of deferred finance costs", "Long-term financial liabilities, net of current portion and net of deferred finance costs" and "Long-term debt, net of current portion and net of deferred finance costs" in the consolidated balance sheets. Amortization costs for the years ended December 31, 2021, 2020 and 2019 were $1,407, $2,361 and $1,943, respectively.

(l) Foreign Currency Translation: The Company's functional and reporting currency is the U.S. dollar. The Company 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. 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 income. The foreign currency gain/(loss) recognized under the caption "Other income" or "Other expense" in the consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019 was $14, $(32) and $1, respectively.

(m) Provisions: The Company, in the ordinary course of business, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisers, will provide for a contingent loss in the consolidated financial statements if the contingency had occurred at the date of the consolidated financial statements, the likelihood of loss was probable and the amount can be reasonably estimated. If the Company has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Company will provide for the lower amount within the range. See also Note 11, "Commitments and Contingencies". As of December 31, 2021, the amount of $(647)/(loss), relating to settlement of outstanding claims was presented under the caption "Other expense" of the consolidated statements of operations. As of December 31, 2020 and 2019, the amount of $428 and $610, respectively, relating to settlement of outstanding claims was presented under the caption "Other income" of the consolidated statements of operations.

(n) Revenue and Expense Recognition:

The Company generates revenue from time charter of vessels. Revenues from time 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.

Expenses related to the revenue-generating contracts are recognized as incurred. See Note 2(p).

(o) Deferred Income and Cash Received In Advance: Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the charter period.

(p) Time Charter and Voyage Expenses: Time charter and voyage expenses comprise all expenses related to each particular voyage, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter and voyage expenses are charterers' liability insurances, provisions for losses on time charters in progress at year-end and other miscellaneous expenses.

(q) Direct Vessel Expenses: Direct vessel expenses comprise the amortization related to drydock and special survey costs of certain vessels of the Company's fleet as well as certain extraordinary fees and costs (pursuant to the terms of the management agreement).

(r) Financial Instruments: Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, trade receivables and payables, other receivables and other liabilities, long-term debt, loans receivable from parent group companies and financial 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: The Company's activities expose it to a variety of financial risks including fluctuations in future time charter hire rates, fuel prices and 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: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade receivables. The Company places its cash and cash equivalents, consisting mostly of deposits, with high credit qualified financial institutions. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition. 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.

Liquidity Risk: Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company monitors cash balances adequately to meet working capital needs.

Foreign Exchange Risk: Foreign currency transactions are translated into the measurement currency at rates prevailing on the dates of the relevant 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.

Fair Value Risk: See Note 2(v).

(s) Income Taxes: The Company is a Marshall Islands limited partnership. 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.

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 liabilities 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.

Marshall Islands do not impose a tax on international shipping income. Under the laws of Marshall Islands, the country of the companies' incorporation and formation and vessels' registration in addition to Panama and Liberia, the companies are subject to registration and tonnage taxes.

(t) Leases: Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases. In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the consolidated balance sheet and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a net investment in the lease. The Company acts as a lessor under operating leases in connection with all of its revenue arrangements.

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 lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset. The Company has entered into sale and leaseback transactions which qualify as failed sale and leaseback transactions as the Company has a purchase obligation to acquire the vessels at the end of the lease term.

(u) Accounts Receivable, net: Accounts receivable includes receivables from charterers for hire, freight and demurrage billings. On January 1, 2020, the Company adopted Accounting Standards Update 2016-13, "Financial Instruments—Credit Losses" ("ASC 326"). At each balance sheet date, the Company maintains an allowance for credit losses for expected uncollectible accounts receivable (see Note 4 – Accounts Receivable, net). The allowance for credit losses as of December 31, 2021 and 2020 was nil (Note 4).

(v) 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.

(w) Time Charters at Favorable Terms: When intangible assets or liabilities associated with the acquisition of a vessel are identified, they 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 the Company to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of the Company's vessels and the Company's weighted average cost of capital. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on the Company's financial position and results of operations.

The amortizable value of favorable and unfavorable leases is amortized over the remaining lease term and the amortization expense is presented in the consolidated statements of operations under the caption "Depreciation and amortization".

(Expressed in thousands of U.S. dollars except unit and per unit data)

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 6,487	$ 7,573
Total cash and cash equivalents	**$ 6,487**	**$ 7,573**

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. The Company does maintain cash deposits and equivalents in excess of government-provided insurance limits. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Restricted cash includes amounts held in retention accounts in order to service debt and interest payments, as required by certain of Company's credit facilities and financial liabilities.

There was no restricted cash as of each of December 31, 2021 and 2020.

NOTE 4: ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2021	December 31, 2020
Accounts receivable	$ 3,652	$ 3,456
Less: Provision for credit losses	—	—
Accounts receivable, net	**$ 3,652**	**$ 3,456**

Financial instruments that potentially subject Navios Containers to concentrations of credit risk are accounts receivable. Navios Containers 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.

NOTE 5: OTHER CURRENT ASSETS

As of December 31, 2021 and 2020, other current assets amounted to $1,036 and $674, respectively, which mainly related to Company's claims receivable. Claims receivable mainly represent claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks.

NOTE 6: VESSELS, NET

Vessels consist of the following:

Vessels	Vessels' Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2018	**$ 348,639**	**$ (5,946)**	**$ 342,693**
Additions	62,513	—	62,513
Depreciation	—	(9,585)	(9,585)
Balance December 31, 2019	**$ 411,152**	**$ (15,531)**	**$ 395,621**
Additions / Transfers to other assets	(341)	—	(341)
Depreciation	—	(10,310)	(10,310)
Balance December 31, 2020	**$ 410,811**	**$ (25,841)**	**$ 384,970**
Additions	2,253	—	2,253
Disposals	(6,710)	126	(6,584)
Depreciation	—	(10,419)	(10,419)
Balance December 31, 2021	**$ 406,354**	**$ (36,134)**	**$ 370,220**

For the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to regulatory requirements, including ballast water treatment system installation, under Company's Management Agreement (as defined herein) amounted to $2,253 and $581, respectively, and are presented under the caption "Acquisition of/additions to vessels" in the consolidated statements of cash flows.

(Expressed in thousands of U.S. dollars except unit and per unit data)

Sale of Vessels

2021

On July 31, 2021, Navios Containers sold the Navios Dedication, a 2008-built Containership of 4,250 TEU to an unrelated third party for a net sale price of $33,893. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of $662, amounted to $7,246 as at the date of the sale.

Following the sale of the vessel during the year ended December 31, 2021, the aggregate net amount of $26,647, was presented under the caption "Gain on sale of asset" in the Consolidated Statements of Operations.

Acquisition of Vessels

2019

On April 23, 2019, the Company purchased from an unrelated third party the Navios Constellation, a 2011-built 10,000 TEU containership, for an acquisition cost of $53,360 (including $860 capitalized expenses), pursuant to the exercise of its purchase option in January 2019, based on the memorandum of agreement entered into in November 2018.

NOTE 7: INTANGIBLE ASSETS

Time charters with favorable terms consist of the charter out contracts acquired in relation to containerships purchased and are analyzed as following:

Time charters with favorable terms	December 31, 2021	December 31, 2020
Acquisition cost	$ —	$ 71,535
Accumulated amortization	—	(71,535)
Time charters with favorable terms net book value	**$ —**	**$ —**

Amortization expense for the years ended December 31, 2021, 2020 and 2019 amounted to $0, $6,288 and $19,062, respectively, and is presented under the caption "Depreciation and amortization" in the consolidated statements of operations.

Intangible assets subject to amortization were amortized using straight line method over their estimated useful lives to their estimated residual value of zero. As of December 31, 2021, the Company did not have any unamortized intangible assets.

NOTE 8: BORROWINGS

Borrowings consist of the following:

Navios Containers credit facilities	December 31, 2021	December 31, 2020
ABN AMRO Bank N.V. $50 million facility	$ 13,050	$ 19,250
BNP Paribas $54 million facility	30,469	37,240
BNP Paribas facility	30,149	—
Total loans	**$ 73,668**	**$ 56,490**
Minsheng Financial Leasing Co. Ltd Financial liability	57,135	70,751
Bank of Communications Financial Leasing Co., Ltd Limited Financial liability	94,747	108,629
Total borrowings	**$ 225,550**	**$ 235,870**

Total borrowings	December 31, 2021	December 31, 2020
Total borrowings	$ 225,550	$ 235,870
Less: current portion of long-term debt	(26,277)	(10,611)
Less: current portion financial liabilities	(19,661)	(22,165)
Less: Deferred financing costs	(2,326)	(3,711)
Total long-term borrowings, net	**$ 177,286**	**$ 199,383**

ABN AMRO BANK N.V Facility: On December 3, 2018, the Company entered into a facility agreement with ABN AMRO for an amount of up to $50,000 divided into two tranches: (i) the first tranche is for an amount of up to $41,200 in order to refinance the outstanding debt of four containerships and to partially finance the acquisition of one containership; and (ii) the second tranche is for an amount of up to $8,800 in order to partially finance the acquisition of one containership. This loan bears interest at a rate of LIBOR plus 350 bps. The Company drew the entire amount under this facility, net of the loan's discount of $500 in the fourth quarter of 2018. On June 28, 2019, the Company entered into a supplemental agreement with ABN AMRO, under which the Company made a partial prepayment of the loan in the aggregate amount of $9,400 and two containerships were released from the facility. In December 2021, following an additional supplemental agreement with the ABN AMRO, the Company made a partial prepayment of the loan in the aggregate amount of $2,000 and three containerships were released from the facility. The outstanding loan amount as of December 31, 2021 was $13,050 and is repayable in four quarterly installments, in the amount of $750 each, along with a final balloon payment of $10,050 payable together with the last installment due in December 2022.

BNP Paribas Facilities: On June 26, 2019, the Company 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, the Company drew $48,750 net of loan's discount of $405. This loan bears interest at a rate of LIBOR plus 300 bps. As of December 31, 2021, the facility is repayable in 10 quarterly installments in the amount of $1,693 each, along with a final balloon payment of $13,542 payable together with the last installment, falling due on June 2024. As of December 31, 2021, the outstanding loan amount under this facility was $30,469 and no amount remains to be drawn.

On December 13, 2021, Chernava Marine Corp., a wholly owned subsidiary of the Company, became borrower to a credit facility of Navios Partners with BNP Paribas and Credit Agricole Corporate and Investment Bank ("CACIB") as amended and restated in December 13, 2021 for a total amount of $91,375, out of which a tranche of $30,149 refers to the Company's vessels. This loan bears interest at LIBOR plus 285 bps per annum. As of December 31, 2021, the Company's tranche of the facility is repayable in 15 equal consecutive quarterly installments in the amount of $1,650 each, together with a final balloon payment of $5,403 to be repaid on the last repayment date falling due on August 2025. As of December 31, 2021, the outstanding loan amount under this facility is $30,149 and no amount remains to be drawn.

Hamburg Commercial Bank AG and Alpha Bank A.E.: On June 28, 2018, the Company entered into a facility agreement with Hamburg Commercial Bank AG and Alpha Bank A.E. for an amount of up to $36,000 to finance part of the purchase price of two containerships. This loan bore interest at a rate of LIBOR plus 325 bps. As of December 31, 2019, the Company had drawn $36,000 under this facility, net of the loan's discount of $270. On March 13, 2020, the Company repaid the facility in full. There was no outstanding loan amount under the facility as of December 31, 2021.

On November 9, 2018, the Company entered into a facility agreement with Hamburg Commercial Bank AG divided into four tranches of up to $31,800 each to finance part of the purchase price of up to four 10,000 TEU containerships. This loan bore interest at a rate of LIBOR plus 325 bps and had a commitment fee of 0.75% per annum on the undrawn loan amount. On March 12, 2019 and October 16, 2019, Navios Containers cancelled two of the tranches of the facility at no cost. On March 13, 2019, the Company drew $30,150 of the second tranche, net of the loan's discount of $166, to refinance the outstanding debt of one containership. On April 18, 2019, the Company drew $31,122 of the fourth tranche, net of the loan's discount of $233, to finance part of the purchase price of one containership. On March 13, 2020, the Company repaid the facility in full. There was no outstanding loan amount under the facility as of December 31, 2021.

In December 2021, Navios Partners entered into a loan agreement with Hamburg Commercial Bank AG and Alpha Bank S.A. of $182,872 in order to partially refinance the existing indebtedness of seven tanker vessels of Navios Partners and two container vessels of Navios Containers.

Sellers' Credit: In January 2019, the Company entered into a sellers' credit agreement (the "Sellers' Credit") in connection with the acquisition of two 10,000 TEU containerships, for an amount of up to $20,000 at a rate of 5% per annum, divided in two tranches of $15,000 and $5,000. On April 23, 2019, following the acquisition of one 2011-built 10,000 TEU containership, the Company drew $15,000, net of discount of $150. In July 2019, following the conversion of the purchase obligation of the second 2011-built 10,000 TEU containership into an option, the second tranche expired. The Sellers' Credit was repaid in full in January 2020.

Financial liabilities: On May 25, 2018, the Company entered into a $119,000 sale and leaseback transaction with Minsheng Financial Leasing Co. Ltd in order to refinance the outstanding balance of the existing facilities of 18 containerships. The Company 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 transaction as a financial liability. On June 29, 2018, the Company completed the sale and leaseback of the first six vessels for $37,500. On July 27, 2018 and on August 29, 2018, the Company completed the sale and leaseback of four additional vessels for $26,000. On November 9, 2018, the Company completed the sale and leaseback of four additional vessels for $26,700. The Company 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. Following the prepayment, Navios Containers is obligated to make 28 monthly payments in respect of all 13 vessels ranging from $254 to $797 each. Navios Containers also has an obligation to purchase the vessels at the end of the fifth year for $41,850. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was $57,135.

On March 11, 2020, the Company completed a $119,060 sale and leaseback transaction with Bank of Communications Financial Leasing Co., Ltd Limited to refinance the existing credit facilities of two 8,204 TEU containerships and two 10,000 TEU containerships. The Company 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 transaction as a financial liability. The Company drew the entire amount on March 13, 2020, net of discount of $1,191. The Company also has an obligation at maturity to purchase: (i) the two 10,000 TEU containerships for $25,500 in the aggregate; and (ii) the two 8,204 TEU containerships for $18,000 in the aggregate. The sale and leaseback agreement: (i) is repayable in 25 quarterly installments of $2,010 each, in the aggregate, matures in March 2027 and bears interest at LIBOR plus 310 bps per annum for the two 10,000 TEU containerships; and (ii) is repayable in 17 quarterly installments of: (a) $16.0 per day, in the aggregate, for the first five installments; and (b) $6.9 per day, in the aggregate, for the remaining 12 installments, matures in March 2025 and bears interest at LIBOR plus 335 bps per annum for the two 8,204 TEU containerships. As of December 31, 2021, the outstanding balance under this sale and leaseback transaction was $94,747.

Amounts drawn are secured by first priority mortgages on the Company's vessels. The credit facilities and financial liabilities contain a number of restrictive covenants that limit Navios Containers and/or its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions other than on arm's length terms; charging, pledging or encumbering the vessels; changing the flag, class, management or ownership of the Company's vessels; acquiring any vessel or permitting any guarantor to acquire any further assets or make investments; purchasing or otherwise acquiring for value any units of its capital or declaring or paying any distributions; permitting any guarantor to form or acquire any subsidiaries. The majority of credit facilities and financial liabilities also require the vessels to comply with the ISM Code and ISPS Code and to maintain 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, some of which are tested at the Navios Partners level following the completion of the Merger, including: (i) maintain a required security ranging over 111% 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 total liabilities or total debt to total assets (as defined in the Company's credit facilities) ranging from less than 0.75 to 0.80; and (iv) maintain a minimum net worth ranging from $30,000 to $135,000. Among other events, it will be an event of default under the Company's credit facilities and financial liabilities if the financial covenants are not complied with.

As of December 31, 2021, the Company was in compliance with its covenants.

The annualized weighted average interest rates of the Company's total borrowings were 4.08%, 4.54% and 5.72% for the years ended December 31, 2021, 2020 and 2019, respectively.

For the years ended December 31, 2021, 2020 and, 2019, interest expense amounted to $9,136, $11,551 and $14,903, respectively, and is presented under the caption "Interest expense and finance cost" in the consolidated statements of operations.

The maturity table below reflects the principal payments for the next five years of all borrowings of the Company outstanding as of December 31, 2021, based on the repayment schedules of the respective secured credit facilities and financial liabilities (as described above).

(Expressed in thousands of U.S. dollars except unit and per unit data)

Payment due by 12 month period ending	
December 31, 2022	$ 46,839
December 31, 2023	72,029
December 31, 2024	34,096
December 31, 2025	37,033
December 31, 2026	8,042
Thereafter	27,511
Total	**$225,550**

NOTE 9: FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value amounts of many of Navios Containers' 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 investments.

Balance due from related parties, non-current: The carrying amount of due from related parties, non-current reported in the consolidated balance sheet approximates its fair value.

Balance due from parent group companies: The carrying amount of due from parent group companies reported in the consolidated balance sheet approximates its fair value.

Loans receivable from parent group companies, including current portion: The outstanding balance of the loans receivable from parent group companies approximates its fair value.

Balance due to related parties, current: The carrying amount of due to related parties, current reported in the consolidated balance sheet approximates its fair value.

Long-term debt: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred finance costs.

Financial liabilities: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the financial liabilities continues to approximate their fair value, excluding the effect of any deferred finance costs.

The estimated fair values of the Company's financial instruments are as follows:

	December 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 6,487	$ 6,487	$ 7,573	$ 7,573
Balance due from related parties, non-current	$ 8,157	$ 8,157	$ 8,436	$ 8,436
Balance due from parent group companies	$ 381	$ 381	$ —	$ —
Loans receivable from parent group companies, including current portion	$ 44,449	$ 44,449	$ —	$ —
Balance due to related parties, current	$ (14,859)	$ (14,859)	$ —	$ —
Long-term debt, including current portion, net	$ (73,373)	$ (73,668)	$ (55,722)	$ (56,490)
Financial liabilities, including current portion, net	$(149,851)	$(151,882)	$(176,437)	$(179,380)

Fair Value Measurements

The estimated fair value of our 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.

	Fair Value Measurements at December 31, 2021			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 6,487	$ 6,487	$ —	$ —
Balance due from related parties, non-current(1)	$ 8,157	$ —	$ 8,157	$ —
Balance due from parent group companies (2)	$ 381	$ —	$ 381	$ —
Loans receivable from parent group companies, including current portion (3)	$ 44,449	$ —	$ 44,449	$ —
Balance due from to related parties, current (4)	$ (14,859)	$ —	$ (14,859)	$ —
Long-term debt, including current portion, net (5)	$ (73,668)	$ —	$ (73,668)	$ —
Financial liabilities, including current portion, net (6)	$(151,882)	$ —	$(151,882)	$ —

	Fair Value Measurements at December 31, 2020			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	$ 7,573	$ 7,573	$ —	$ —
Balance due from related parties, non-current(1)	$ 8,436	—	$ 8,436	$ —
Long-term debt, including current portion, net(5)	$ (56,490)	—	$ (56,490)	$ —
Financial liability, including current portion, net (6)	$(179,380)	—	$(179,380)	$ —

(1) The fair value of the Company's receivable from related parties is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.
(2) The fair value of the Company's receivable from parent group companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.
(3) The fair value of the Company's loans receivable from parent group companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.
(4) The fair value of the Company's payable to related parties is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.
(5) The fair value of the Company's long-term debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.
(6) The fair value of the Company's financial liabilities is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.

NOTE 10: LEASES

The future minimum contractual lease revenue (charter-out rates are presented net of commissions), for which a charter party has been concluded as of December 31, 2021, is as follows:

	Amount in thousands of U.S. dollars
2022	$ 364,554
2023	274,120
2024	242,050
2025	206,232
2026	147,238
Thereafter	248,767
Total minimum lease revenue, net of commissions	**$1,482,961**

Revenues from time charters are generally not received when a vessel is off-hire, which includes time required for scheduled maintenance of the vessel.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The Company is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions are recognized in the consolidated financial statements for all such proceedings where the Company believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the consolidated financial statements were prepared. While the ultimate disposition of these actions cannot be predicted with certainty, management does not believe the outcome, individually or in aggregate, of such actions will have a material effect on the Company's financial position, results of operations or cash flows.

In February 2019, the Company announced the exercise of an option to acquire a 2011-built 10,000 TEU containership from an unrelated third party for a purchase price of $52,500. In July 2019, the Company converted the obligation to purchase a 2011-built 10,000 TEU containership, into an option. The agreement granted the Company the option and the right of first refusal to acquire the vessel at terms mutually agreed with the seller. During the fourth quarter of 2019, the Company received notice from the sellers to acquire the vessel. The Company did not exercise the option and the containership was sold to a third party. As a result, the Company made a payment of $3,000 to the sellers on April 1, 2020.

NOTE 12: TRANSACTIONS WITH RELATED PARTIES

Vessel operating expenses: Pursuant to a management agreement dated June 7, 2017, as amended on November 23, 2017, April 23, 2018, June 1, 2018 and August 28, 2019 (the "Management Agreement"), the Manager provides commercial and technical management services to the Company's vessels. The term of this agreement is for an initial period of five years with an automatic extension for five years periods thereafter unless a notice for termination is received by either party. In August 2019, the Company extended the duration of the Management Agreement until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party, and provides for payment of a termination fee by the Company, equal to the fees charged for the full calendar year preceding the termination date, in the event the Management Agreement is terminated on or before December 31, 2024. The fixed vessel operating expenses charged by the Manager for the period through December 31, 2019 and the two-year period commencing January 1, 2020 are: (a) $6.1 and $6.2 daily rate per Container vessel of 3,000 TEU up to 4,999 TEU, respectively; (b) $7.4 and $7.8 daily rate per Container vessel of 8,000 TEU up to 9,999 TEU, respectively; (c) $7.4 and $8.3 daily rate per Container vessel of 10,000 TEU up to 11,999 TEU, respectively; and (d) commencing January 1, 2020, $0.1 per vessel daily rate for technical and commercial management services. Commencing January 1, 2022, the fees described in subsections (a) through (c) are subject to an annual increase of 3%, unless otherwise agreed. This fixed daily fee covers all of the vessels operating expenses, other than certain extraordinary fees and costs, as defined in the Management Agreement. For the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to regulatory requirements, including ballast water treatment system installation, under Company's Management Agreement amounted to $2,253 and $581, respectively, and are presented under the caption "Acquisition of/additions to vessels" in the consolidated statements of cash flows. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $1,416 are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $696 are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Drydocking and special survey are paid to the Manager at cost.

Total fixed vessel operating expenses for the years ended December 31, 2021, 2020 and 2019, under the respective agreement amounted to $67,996, $69,147 and $65,638, respectively, and are presented under the caption "Vessel operating expenses (entirely through related parties' transactions)" in the consolidated statements of operations.

General & administrative expenses: Pursuant to the administrative services agreement, dated June 7, 2017, as amended on August 28, 2019 (the "Administrative Agreement"), the Manager also provides administrative services to the Company, 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. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for five years periods thereafter unless a notice for termination is received by either party. In August 2019, the Company extended the duration of the Administrative Agreement until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party. The amendment dated August 28, 2019 also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by the Company in the event the Administrative Agreement is terminated on or before December 31, 2024. Total general and administrative fees charged by the Manager for the years ended December 31, 2021, 2020 and 2019 amounted to $8,860, $8,120 and $8,034, respectively, and are presented under the caption "General and administrative expenses" in the consolidated statements of operations.

Balance due from/(to) related parties: Balance due to related parties as of December 31, 2021 amounted to $14,859 (December 31, 2020: Balance due from related parties $150), and the long-term receivable amounted to $8,157 (December 31, 2020: $8,436). The balances mainly consisted of administrative fees, 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 Agreement.

Balance due from parent group companies: Balance due from parent group companies as of December 31, 2021 amounted to $381 and related to amounts due from Navios Partners and its subsidiaries. No amount was due from/(to) parent group companies was outstanding as of December 31, 2020.

Omnibus Agreement: On June 7, 2017, the Company entered into an omnibus agreement with Navios Maritime Acquisition Corporation ("Navios Acquisition"), Navios Holdings and Navios Partners pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliates generally have granted a right of first refusal over any containerships to be sold or acquired in the future (the "Omnibus Agreement"). The Omnibus Agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliates to compete with the Company under specified circumstances.

General partner: Following the Second Merger, Migen Shipmanagement Ltd became the general partner of Navios Containers.

Merger with Navios Partners: On March 31, 2021, Navios Containers completed the merger contemplated by the Merger Agreement, dated as of December 31, 2020, by and among Navios Partners, its direct wholly-owned subsidiary Merger Sub, Navios Containers LP and Navios Maritime Containers GP LLC, Navios Containers LP's general partner at the time. Pursuant to the Merger Agreement, Merger Sub merged with and into Navios Containers LP, with Navios Containers LP continuing as the surviving partnership. As a result of the merger, Navios Containers LP became a wholly-owned subsidiary of Navios Partners. Pursuant to the terms of the Merger Agreement, each outstanding common unit of Navios Containers LP that was held by a unitholder other than Navios Partners, Navios Containers LP 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 Second Merger, Navios Containers LP merged with and into Navios Maritime Containers Sub L.P., with Navios Maritime Containers Sub L.P. continuing as the surviving partnership, and Migen Shipmanagement Ltd became the Company's general partner.

Loans receivable from parent group companies

On December 17, 2021, Navios Containers and Navios Acquisition entered into a loan agreement under which Navios Containers agreed to make available to Navios Acquisition a facility of up to $30,149 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the outstanding balance of the facility was $30,149. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

On December 15, 2021, Navios Containers and Navios Acquisition entered into a loan agreement under which Navios Containers agreed to make available to Navios Acquisition a facility of up to $14,300 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the outstanding balance of the facility was $14,300. The facility matures in the fourth quarter of 2024 and bears interest at LIBOR plus 230 bps per annum.

NOTE 13: TRANSACTION-RELATED EXPENSES

Transaction-related expenses for the year ended December 31, 2021 and 2020 amounted to $348 and $1,626, respectively, and related to expenses incurred in connection with the Company's Merger Agreement (see Note 12 – Transactions with related parties).

NOTE 14: PARTNERS' CAPITAL

Common units represent limited partnership interests in the Company. The holders of common units are entitled to participate pro rata in distributions from the Company and to exercise the rights or privileges that are available to common unit holders under the Company's partnership agreement.

In July 2020, the Board of Directors authorized a common unit repurchase program for up to $6,000 of the Company's common units over a one-year period. Common unit repurchases were 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 were be determined by Company's management based upon market conditions and other factors. Repurchases were made pursuant to a program adopted under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The program did not require any minimum repurchase or any specific number of units of common equity. As of December 31, 2020, the Company had repurchased 2,157,523 common units, at a total cost of approximately $1,783.

Following the private placements, the conversion and the repurchase program described above, the Company had a total of 32,445,577 common units outstanding as of December 31, 2020.

On March 31, 2021, Navios Containers completed the Merger contemplated by the Merger Agreement.

Under the terms of the Merger Agreement, Navios Partners acquired all of the publicly held common units of Navios Containers LP through the issuance of 8,133,452 newly issued common units of Navios Partners in exchange for the publicly held common units of Navios Containers LP at an exchange ratio of 0.39 units of Navios Partners for each Navios Containers LP common unit. Following the Second Merger, Migen Shipmanagement Ltd owns 100% of the general partner interest and Navios Partners owns 100% of the limited partner interest.

Upon completion of the 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.

NOTE 15: CASH DISTRIBUTIONS

In December 2021, the Board of Directors of Navios Containers authorized and paid a cash distribution for the year ended December 31, 2021 of $85,000. Any distribution will be at the discretion of the Company's Board of Directors and will depend on, among other things, Navios Containers' 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.

NOTE 16: SUBSEQUENT EVENT

In February 2022, Navios Containers agreed to sell the Navios Utmost and the Navios Unite, two 2006-built Containerships of 8,204 TEU each, to an unrelated third party for an aggregate sales price of $220,000. The sale is expected to be completed during the second half of 2022 and the gain on sale of vessels is expected to be approximately $152,140.

On March 28, 2022, a wholly owned subsidiary of the Company, became borrower into a new credit facility of Navios Partners with a commercial bank for a total amount of up to $55,000 in order to refinance the existing indebtedness of one the Company's vessel, two of Navios Partner's vessels and for general corporate purposes. Out of $55,000, a tranche of $29,094 refers to the Company's vessel. The credit facility matures in March 2027 and bears interest at daily cumulative or non-cumulative compounded RFR rate (as defined in the loan agreement) plus 2.25% per annum. On March 31, 2022, the entire amount was drawn under this loan.

Exhibit 15.6

NAVIOS MARITIME ACQUISITION CORPORATION

Report of Independent Auditors

To the Shareholder of Navios Maritime Acquisition Corporation

Opinion

We have audited the consolidated financial statements of Navios Maritime Acquisition Corporation (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in stockholder's equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for the three years in the period ended December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 12, 2022

NAVIOS MARITIME ACQUISITION CORPORATION
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of U.S. Dollars except share data)

	Notes	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 23,922	$ 40,594
Restricted cash	3	1,915	763
Accounts receivable, net	4	6,242	8,151
Prepaid expenses and other current assets	5	7,098	6,136
Inventories	5	7,475	7,130
Assets held for sale	8	—	77,831
Total current assets		**46,652**	**140,605**
Vessels, net	6	1,171,868	1,286,378
Goodwill	7	1,579	1,579
Other long-term assets	2,13,16,20	13,750	11,720
Deferred dry dock and special survey costs, net		49,417	48,513
Amounts due from related parties, long-term	9,15	14,223	14,658
Operating lease assets	19	198,097	65,544
Total non-current assets		**1,448,934**	**1,428,392**
Total assets		**$ 1,495,586**	**$ 1,568,997**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	10	$ 10,167	$ 10,605
Accrued expenses	12	4,820	12,525
Amounts due to parent group companies, short term	15	25,685	—
Amounts due to related parties, short-term	15	25,910	30,082
Dividends payable	11	—	828
Deferred revenue		8,672	8,931
Current portion of long-term debt, net of deferred finance costs	13	67,416	704,772
Current portion of loans payable to parent group companies	15	80,635	—
Liabilities associated with assets held for sale	8	—	34,071
Operating lease liabilities, current portion	19	13,796	4,046
Total current liabilities		**237,101**	**805,860**
Long-term debt, net of current portion, premium and net of deferred finance costs	13	337,036	371,815
Long-term loans payable to parent group companies, net of current portion	15	254,162	—
Operating lease liabilities, net of current portion	19	183,866	61,465
Total non-current liabilities		**775,064**	**433,280**
Total liabilities		**$ 1,012,165**	**$ 1,239,140**
Commitments and contingencies	16	—	—
Stockholders' equity			
Preferred stock, $0.0001 par value; 10,000,000 shares authorized		—	—
Common stock, $0.0001 par value; 250,000,000 shares authorized; 500 and 16,559,481 issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	17	—	2
Additional paid-in capital	17	682,871	509,671
Accumulated deficit		(199,450)	(179,816)
Total stockholders' equity		**483,421**	**329,857**
Total liabilities and stockholders' equity		**$ 1,495,586**	**$ 1,568,997**

See notes to the consolidated financial statements.

NAVIOS MARITIME ACQUISITION CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. dollars)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Time charter and voyage revenues	2	$ 250,859	$ 361,438	$ 280,117
Time charter and voyage expenses	15	(28,782)	(17,820)	(22,690)
Direct vessel expenses	15	(22,527)	(14,119)	(10,132)
Vessel operating expenses (entirely through related party transactions)	15	(120,281)	(127,611)	(107,748)
General and administrative expenses	15	(19,858)	(22,097)	(21,689)
Depreciation and amortization	6	(64,843)	(66,629)	(67,892)
Interest income	15	3	32	7,717
Interest expense and finance cost	13	(64,810)	(82,278)	(91,442)
Gain on bond repurchase	13	30,191	15,786	1,940
Gain on sale of vessels, net and Impairment loss	6,8,9	14,427	(17,168)	(36,731)
Equity in net earnings of affiliated companies	3,9,15	—	—	2,948
Transaction costs		(1,917)	—	—
Gain on loan conversion to common stock	15	10,853	—	—
Other income		494	341	1,335
Other expense	15	(3,443)	(2,266)	(1,174)
Net (loss)/ income		**$ (19,634)**	**$ 27,609**	**$ (65,441)**
Dividend on restricted shares		—	(144)	(253)
Undistributed income attributable to Series C participating preferred shares		—	—	(13)
Net (loss)/ income attributable to common stockholders, basic		**$ (19,634)**	**$ 27,465**	**$ (65,707)**

See notes to the consolidated financial statements.

NAVIOS MARITIME ACQUISITION CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
OPERATING ACTIVITIES:				
Net (loss)/ income		$ (19,634)	$ 27,609	$ (65,441)
Adjustments to reconcile net (loss)/ income to net cash provided by operating activities:				
Depreciation and amortization	6	64,843	66,629	67,892
Amortization and write-off of deferred finance costs and bond premium	13	6,868	5,671	4,798
Gain on bond repurchase	13	(30,191)	(15,786)	(1,940)
Amortization of dry dock and special survey costs		16,550	13,493	9,576
Stock based compensation	17	173	482	909
Gain on sale of vessels, net and Impairment loss	6,8,9	(14,427)	17,168	36,731
Equity in net earnings of affiliates	9,15	—	—	(2,948)
Gain on loan conversion to common stock		(10,853)	—	—
Changes in operating assets and liabilities:				
(Increase)/ decrease in prepaid expenses and other current assets	5	(873)	6,634	2,680
Decrease/ (increase) in inventories	5	639	(533)	3,541
Decrease/ (increase) in accounts receivable		2,516	25,863	(8,655)
Increase in due from related parties, short-term		(1,024)	—	(7,034)
Decrease in due to parent group companies, short-term		(67,193)	—	—
(Increase)/ decrease in other long term assets		(2,144)	(2,661)	—
(Increase)/ decrease in due from related parties long-term		—	(4,578)	899
(Decrease)/ increase in accounts payable		(789)	(4,875)	282
(Decrease)/ increase in accrued expenses		(7,802)	(1,795)	583
Payments for dry dock and special survey costs		(18,441)	(25,103)	(6,864)
Decrease in due to related parties, short-term		(4,173)	(2,068)	(4,858)
(Decrease)/ increase in deferred revenue		(259)	6,499	(907)
Decrease in operating lease liabilities short and long-term	19	(404)	(33)	—
Net cash (used in)/ provided by operating activities		**$ (86,618)**	**$ 112,616**	**$ 29,244**
INVESTING ACTIVITIES:				
Net cash proceeds from sale of vessels	6,9	146,079	—	71,252
Acquisition of vessels/ Vessels improvements	6	(5,195)	(41,023)	(65,225)
Loans receivable from affiliates	15	—	—	(2,000)
Net cash provided by/ (used in) investing activities		**$ 140,884**	**$ (41,023)**	**$ 4,027**
FINANCING ACTIVITIES				
Loan proceeds, net of deferred finance costs	13	332,216	130,950	308,368
Loan repayments	13	(827,268)	(186,875)	(347,699)
Dividend paid	11	(828)	(19,204)	(12,359)
Net proceeds from equity offering	17	3,878	3,234	16,227
Loan proceeds from parent group companies	15	181,878	—	—
Loan proceeds from related company	15	100,000	—	—
Debt issuance costs		(9,662)	(2,392)	—
Contribution on obtaining control by Parent Company	13	150,000	—	—
Acquisition of treasury stock	17	—	—	(366)
Net cash used in financing activities		**$ (69,786)**	**$ (74,287)**	**$ (35,829)**
Net decrease in cash, cash equivalents and restricted cash		**(15,520)**	**(2,694)**	**(2,558)**
Cash, cash equivalents and restricted cash, beginning of year		**41,357**	**44,051**	**46,609**
Cash, cash equivalents, and restricted cash end of year		**$ 25,837**	**$ 41,357**	**$ 44,051**
Supplemental disclosures of cash flow information				
Cash interest paid, net of capitalized interest		$ 62,743	$ 77,412	$ 86,014
Non-cash investing activities				
Accrued interest on loan to affiliates		$ —	$ —	$ (2,948)
Acquisition of vessels		$ —	$ —	$ 33,210
Container vessel owning companies acquisition		—	37,658	—
Non-cash financing activities				
Stock based compensation		$ 173	$ 482	$ 909
Accrued deferred finance costs		$ —	$ —	$ 1,702
Other long term assets		$ —	$ 3,602	$ 5,456
Loan due to parent group companies		$ 92,878	$ —	$ —
Loan cancellation in exchange of common stock (see Note 15)		$ 30,000	$ —	$ —

See notes to the consolidated financial statements.

NAVIOS MARITIME ACQUISITION CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of U.S. dollars, except share data)

	Notes	Preferred Stock		Common Stock		Additional Paid-in Capital	(Accumulated Deficit)/ Retained Earnings	Total Stockholders' Equity
		Number of Preferred Shares	Amount	Number of Common Shares	Amount			
Balance, December 31, 2018		**1,000**	**$ —**	**13,280,927**	**$ 1**	**$522,335**	**$ (141,984)**	**$ 380,352**
Issuance of common shares	17	—	—	2,145,020	1	15,467	—	15,468
Dividend paid/ declared	11	—	—	—	—	(17,070)	—	(17,070)
Conversion of preferred stock to common	17	(1,000)	—	511,733	—	—	—	—
Stock based compensation	17	—	—	—	—	909	—	909
Acquisition of treasury stock	17	—	—	(64,289)	—	(366)	—	(366)
Net loss		—	—	—	—	—	(65,441)	(65,441)
Balance, December 31, 2019		**—**	**$ —**	**15,873,391**	**$ 2**	**$521,275**	**$ (207,425)**	**$ 313,852**
Proceeds from public offering and issuance of common shares	17	—	—	686,090	—	3,234	—	3,234
Dividend paid/ declared	11	—	—	—	—	(15,320)	—	(15,320)
Stock based compensation	17	—	—	—	—	482	—	482
Net income		—	—	—	—	—	27,609	27,609
Balance, December 31, 2020		**—**	**$ —**	**16,559,481**	**$ 2**	**$509,671**	**$ (179,816)**	**$ 329,857**
Proceeds from public offering and issuance of common shares	17	—	—	1,176,485	—	3,878	—	3,878
Shares issued due to NNA Merger and conversion of NSM Loan		—	—	52,941,176	5	169,142	—	169,147
Cancellation of shares	1	—	—	(70,676,642)	(7)	7	—	—
Stock based compensation	17	—	—	—	—	173	—	173
Net loss		—	—	—	—	—	(19,634)	(19,634)
Balance, December 31, 2021		**—**	**$ —**	**500**	$ —	**$682,871**	**$ (199,450)**	**$ 483,421**

See notes to the consolidated financial statements.

NOTE 1: DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Navios Maritime Acquisition Corporation ("Navios Acquisition" or the "Company") owns a large fleet of modern crude oil, refined petroleum product and chemical tankers providing world-wide marine transportation services. The operations of Navios Acquisition are managed by Navios Tankers Management Inc. (the "Manager").

Navios Acquisition was incorporated in the Republic of the Marshall Islands on March 14, 2008. On July 1, 2008, Navios Acquisition completed its initial public offering ("IPO"). On May 28, 2010, Navios Acquisition consummated the vessel acquisition which constituted its initial business combination. Following such transaction, Navios Acquisition commenced its operations as an operating company.

In October 2019, Navios Acquisition completed a registered direct offering of 1,875,000 shares of its common stock at $8.00 per share, raising gross proceeds of $15,000. Total net proceeds of the above transactions, net of agents' costs of $675 and offering costs of $957, amounted to $13,368.

On November 29, 2019, Navios Acquisition entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time shares of Navios Acquisition's common stock having an aggregate offering price of up to $25,000. The sales were being made pursuant to a prospectus supplement as part of a shelf registration statement which was set to expire in December 2019. Navios Acquisition went effective on a new shelf registration statement which was declared effective on December 23, 2019. Accordingly, an updated Continuous Offering Program Sales Agreement (the "Sales Agreement") was entered into on December 23, 2019. As before, the Sales Agreement contains, among other things, customary representations, warranties and covenants by Navios Acquisition and indemnification obligations of the parties thereto as well as certain termination rights for such parties. As of December 31, 2021, since the commencement of the program, Navios Acquisition has issued 2,132,595 shares of common stock and received net proceeds of $9,212.

On August 25, 2021, Navios Maritime Partners L.P. ("Navios Partners") entered into an agreement and plan of merger with Navios Partners and Navios Partners' direct wholly owned subsidiary, Navios Acquisition Merger Sub. Inc. ("Merger Sub") (the "Merger Agreement") with the Company being the surviving entity (the "NNA Merger"). 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. Subsequently on October 15, 2021, Navios Partners completed the NNA Merger, 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. The full outstanding capital of Navios Acquisition currently being held by Navios Partners is 500 shares. Upon completion of the NNA Merger, the Navios Acquisition common shares previously listed on NYSE under the stock symbol "NNA" were deregistered under the Exchange Act and were cancelled and retired.

As of December 31, 2021, Navios Acquisition had outstanding 500 shares of common stock outstanding.

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").

Going Concern

As of December 31, 2020, Navios Acquisition's current assets totaled $140,605, while current liabilities totaled $805,860, resulting in a negative working capital position of $665,255, primarily related to the classification as current of the $602,600 of 2021 Notes (as defined herein) which were due to mature on November 15, 2021, balloon payments due under its credit facilities and financial liabilities under the sale and leaseback transactions. These conditions at that time raised substantial doubt about the Company's ability to continue as a going concern.

During 2021, Navios Acquisition redeemed in full its Ship Mortgage Notes (as defined herein) on September 25, 2021(see Note 13 – Borrowings). In addition, during the fourth quarter of 2021, Navios Partners completed the NNA Merger (see Note 1 – Description of organization and business operations).

Following the above and 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 the support of its Parent Company, Navios Partners, 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 twelve months from the date of issuance of these consolidated financial statements. Accordingly, substantial doubt about the Company's ability to continue as a going concern has been alleviated.

(b) Recent accounting pronouncements

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments ("ASU 2021-05"). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of adoption to the consolidated and combined financial statements and related disclosures.

In March 2020, the Financial Accounting Standards Board issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")." ASU 2020-04 provides temporary optional expedients and exceptions to the guidance in U.S. GAAP on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. In January 2021, the FASB issued Accounting Standard Update ("ASU") 2021-01 (Topic 848), which amends and clarifies the existing accounting standard issued in March 2020 ("ASU") 2020-04 for Reference Rate Reform. Reference rates such as LIBOR, are widely used in a broad range of financial instruments and other agreements. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities under way in global financial markets (the "discounting transition"). The ASU 2020-04 is effective for adoption at any time between March 12, 2020 and December 31, 2022, for all entities and the ASU 2021-01 is effective for all entities as of January 7, 2021 through December 31, 2022. As of December 31, 2021, the Company has not made any contract modifications to replace the reference rate in any of its agreements and will continue to evaluate the effects of this standard on its consolidated financial position, results of operations, and cash flows.

(c) Principles of consolidation: The accompanying consolidated financial statements include the accounts of Navios Acquisition, a Marshall Islands corporation, and its majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated statements.

The Company also consolidates entities that are determined to be variable interest entities ("VIEs") as defined in the accounting guidance, if it determines that it is the primary beneficiary. A variable interest entity is defined as a legal entity where either (a) 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, or (b) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (c) 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.

(d) Equity method investments: 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.

(Expressed in thousands of U.S. Dollars except share and per share data)

Navios Acquisition evaluates its equity method investments, for other than temporary impairment, on a quarterly basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than the carrying value, (2) the financial condition and near-term prospects and (3) the intent and ability of the Company to retain its investments for a period of time sufficient to allow for any anticipated recovery in fair value.

(e) Subsidiaries: Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights and/or otherwise has power to govern the financial and operating policies. The acquisition method of accounting is used to account for the acquisition of subsidiaries if deemed to be a business combination. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. The excess of the cost of acquisition over the fair value of the net assets acquired and liabilities assumed is recorded as goodwill.

As of December 31, 2021, the entities included in these consolidated financial statements were:

Company name	Vessel name	Country of incorporation	Statements of Operations 2021	2020	2019
Amorgos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Andros Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Antikithira Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Antiparos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Crete Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Folegandros Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Ikaria Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Ios Shipping Corporation	Vessel-Owning Company(1)	Cayman Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Kithira Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Kos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Mytilene Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Navios Maritime Acquisition Corporation	Holding Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Navios Acquisition Finance (U.S.) Inc.	Co-Issuer	Delaware	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Rhodes Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Serifos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Loyalty Limited	Former Vessel-Owning Company(2)	Hong Kong	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Navigator Limited	Former Vessel-Owning Company(3)	Hong Kong	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Sifnos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Skiathos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Skopelos Shipping Corporation	Vessel-Owning Company(1)	Cayman Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Syros Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Thera Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Tinos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Oinousses Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Psara Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Antipsara Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Samothrace Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Thasos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Limnos Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Skyros Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Alonnisos Shipping Corporation	Former Vessel-Owning Company(4)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31

(Expressed in thousands of U.S. Dollars except share and per share data)

Makronisos Shipping Corporation	Former Vessel-Owning Company(4)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Iraklia Shipping Corporation	Vessel-Owning Company(1)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Paxos Shipping Corporation	Former Vessel-Owning Company(5)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Antipaxos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Donoussa Shipping Corporation	Former Vessel-Owning Company(6)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Schinousa Shipping Corporation	Former Vessel-Owning Company(7)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Navios Acquisition Europe Finance Inc	Sub-Holding Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Kerkyra Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Lefkada Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Zakynthos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Leros Shipping Corporation	Former Vessel-Owning Company(18)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Kimolos Shipping Corporation	Former Vessel-Owning Company(12)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Samos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Tilos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Delos Shipping Corporation	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Agistri Shipping Corporation	Operating Subsidiary	Malta	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Olivia Enterprises Corp.	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Cyrus Investments Corp.	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Doxa International Corp.	Vessel-Owning Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	4/10 – 12/31
Tzia Shipping Corp.	Vessel-Owning Company(9)	Marshall Is.	1/1 – 12/31	6/4 – 12/31	—
Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Navios Maritime Midstream Partners Finance (US) Inc.	Co-borrower	Delaware	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Kannika Limited	Former Vessel-Owning Company(8)	Hong Kong	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Ocean Limited	Former Vessel-Owning Company(10)	Hong Kong	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Saowalak Limited	Vessel-Owning Company	British Virgin Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Kieran Limited	Vessel-Owning Company	British Virgin Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Shinyo Dream Limited	Former Vessel-Owning Company(11)	Hong Kong	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Sikinos Shipping Corporation	Former Vessel-Owning Company(17)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	1/1 – 12/31
Alkmene Shipping Corporation	Vessel-Owning Company(13)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	12/14 – 12/31
Persephone Shipping Corporation	Vessel-Owning Company(13)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	12/14 – 12/31
Rhea Shipping Corporation	Vessel-Owning Company(1),(13)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	12/20 – 12/31
Aphrodite Shipping Corporation	Vessel-Owning Company(13)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	12/20 – 12/31
Dione Shipping Corporation	Vessel-Owning Company(13)	Marshall Is.	1/1 – 12/31	1/1 – 12/31	12/20 – 12/31
Boysenberry Shipping Corporation	Vessel-Owning Company(14)(15)	Marshall Is.	1/1 – 12/31	6/29 – 12/31	—
Cadmium Shipping Corporation	Vessel-Owning Company(14)(23)	Marshall Is.	1/1 – 12/31	6/29 – 12/31	—

(Expressed in thousands of U.S. Dollars except share and per share data)

Celadon Shipping Corporation	Vessel-Owning Company(14)(22)	Marshall Is.	1/1 – 12/31	6/29 – 12/31	—
Cerulean Shipping Corporation	Vessel-Owning Company(14)(16)	Marshall Is.	1/1 – 12/31	6/29 – 12/31	—
Bole Shipping Corporation	Vessel-Owning Company(14)(21)	Marshall Is.	1/1 – 4/28	6/29 – 12/31	—
Brandeis Shipping Corporation	Vessel-Owning Company(14)(19)	Marshall Is.	1/1 – 5/10	6/29 – 12/31	—
Buff Shipping Corporation	Vessel-Owning Company(14)(20)	Marshall Is.	1/1 – 5/10	6/29 – 12/31	—
Letil Navigation Limited	Sub-Holding Company	Marshall Is.	1/1 – 12/31	—	—

(1) Currently, vessel-operating company under a sale and leaseback transaction.
(2) Former vessel-owner of the Shinyo Splendor which was sold to an unaffiliated third party on May 6, 2014.
(3) Former vessel-owner of the Shinyo Navigator which was sold to an unaffiliated third party on December 6, 2013.
(4) Each company had the rights over a shipbuilding contract of an MR2 product tanker vessel. In February 2015, these shipbuilding contracts were terminated, with no exposure to Navios Acquisition, due to the shipyard's inability to issue a refund guarantee.
(5) Former vessel-owner of the Nave Lucida which was sold to an unaffiliated third party on January 27, 2016.
(6) Former vessel-owner of the Nave Universe which was sold to an unaffiliated third party on October 4, 2016.
(7) Former vessel-owner of the Nave Constellation which was sold to an unaffiliated third party on November 15, 2016.
(8) The vessel Shinyo Kannika was sold to an unaffiliated third party on March 22, 2018.
(9) Bareboat chartered-in vessel with purchase option, expected to be delivered in the third quarter of 2022.
(10) In May 10, 2019, Navios Acquisition sold the Shinyo Ocean, a 2001-built VLCC vessel of 281,395 dwt to an unaffiliated third party for a sale price of $12,525.
(11) On March 25, 2019, Navios Acquisition sold the C. Dream, a 2000-built VLCC vessel of 298,570 dwt to an unaffiliated third party for a sale price of $21,750.
(12) On October 8, 2019, Navios Acquisition sold the Nave Electron, a 2002-built VLCC vessel of 305,178 dwt to an unaffiliated third party for a sale price of $25,250.
(13) In December 2019, Navios Acquisition acquired five product tankers, two LR1 product tankers and three MR1 product tankers following the Liquidation of Navios Europe I.
(14) In June 2020, Navios Acquisition acquired seven vessel owning companies following the Liquidation of Navios Europe II.
(15) In March 2021, Navios Acquisition sold the Solstice N, a 2007-built container vessel of 3,398 teu to an unaffiliated party for a gross sale price of $11,000.
(16) In January 2021, Navios Acquisition sold the Allegro N, a 2014-built container vessel of 3,421 teu to an unaffiliated party for a gross sale price of $14,075.
(17) In March 2021, Navios Acquisition sold the Nave Celeste, a 2003-built VLCC vessel of 298,717 dwt to an unaffiliated party for a sale price of $24,400.
(18) In June 2021, Navios Acquisition sold the Nave Neutrino, a 2003-VLCC vessel of 298,287 dwt to an unaffiliated party for a sale price of $25,000.
(19) In May 2021, Navios Acquisition sold the Ete N, a 2012-built container vessel of 41,139 dwt to a related party for a sale price of $19,500.
(20) In May 2021, Navios Acquisition sold the Fleur N, a 2012-built container vessel of 41,130 dwt to a related party for a sale price of $19,500.
(21) In April 2021, Navios Acquisition sold the Spectrum N a 2009-built container vessel of 34,333 dwt to a related party for a sale price of $16,500.
(22) In May 2021, Navios Acquisition sold the Vita N, a 2010-built container vessel of 23,359 dwt, to an unaffiliated third party for a sale price of $9,125.
(23) In May 2021, Navios Acquisition sold the Acrux N, a 2010-built container vessel of 23,338 dwt, to an unaffiliated third party for a sale price of $9,338.

(f) 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 uncompleted voyages, future drydock dates, the selection of useful lives for tangible assets and scrap value, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivables, provisions for legal disputes, and contingencies and the valuation estimates inherent in the deconsolidation gain. 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.

(g) 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.

(h) Restricted Cash: As of December 31, 2021 and 2020, restricted cash consisted of $1,915 and $763, respectively, which related to amounts held in retention account in order to service debt and interest payments, as required by certain of Navios Acquisition's credit facilities.

(i) Accounts Receivable, net: Accounts receivable includes receivables from charterers for hire, freight and demurrage billings. On January 1, 2020, the Company adopted Accounting Standards Update 2016-13, "Financial Instruments—Credit Losses" ("ASC 326"). At each balance sheet date, the Company maintains an allowance for credit losses for expected uncollectible accounts receivable (see Note 4 – Accounts Receivable, net). The allowance for credit losses as of December 31, 2021 and 2020 was nil (Note 4 – Accounts Receivable, net).

(j) Other long term assets: As of December 31, 2021 and 2020, the amounts shown as other long term assets mainly reflected deposits of certain sale and leaseback arrangements.

(k) Inventories: Inventories, which are comprised of: (i) bunkers (when applicable) on board of the vessels, are valued at cost as determined on the first-in, first-out basis; and (ii) lubricants and stock provisions on board of the vessels as of the balance sheet date, are valued at cost as determined on the first-in, first-out basis.

(l) Vessels, net: Vessels are stated at historical cost, which consists of the contract price, delivery and acquisition expenses and capitalized interest costs while under construction. Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. 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 tanker vessels 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 affects depreciation expense in the period of the revision and future periods. The management after considering current market trends for scrap rates and 10-year average historical scrap rates of the residual values of the Company's vessels.

Management estimates the useful life of vessels to be 25 years from the vessel's 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.

(m) Assets held for sale/ Liabilities associated with 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.

No assets were classified as held for sale as of December 31, 2021.

As of December 31, 2020, the container vessels have been re-measured to their fair value less cost to sell leading to a non-cash impairment charge of $3,268, which is included in "Gain on sale of vessels, net and Impairment loss" being recognized in the accompanying consolidated statements of operations. On the re-measurement date the fair value of the vessels was determined based on independent valuation analyses. For the vessels that their sale has been concluded subsequent to year end, their fair value on the re-measurement date was determined on the basis of their concluded sale price. (See Note 8 – Assets held for sale / liabilities associated with assets held for sale)

(n) Leases: Leases where the Company acts as the lessee are classified as either finance or operating leases.

In cases of lease agreements where the Company acts as the lessee, the Company recognizes an operating lease asset and a corresponding lease liability on the consolidated balance sheets. Following initial recognition and with regards to subsequent measurement the Company re-measures lease liability and right of use asset at each reporting date. For lease agreements classified as operating leases where Navios Acquisition is regarded as the lessee, the expense is recognized on a straight-line basis over the rental periods of such lease agreements. The expense is included within the caption "Time charter and voyage expenses".

Leases where the Company acts as the lessor are classified as either operating or sales-type / direct financing leases.

In cases of lease agreements where the Company acts as the lessor under an operating lease, the Company keeps the underlying asset on the consolidated balance sheets and continues to depreciate the assets over its useful life. In cases of lease agreements where the Company acts as the lessor under a sales-type / direct financing lease, the Company derecognizes the underlying asset and records a net investment in the lease. The Company acts as a lessor under operating leases in connection with all of its charter out – bareboat-out arrangements.

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 financial liability. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset. The Company has entered into six agreements which qualify as failed sale and leaseback transactions as the Company is required to repurchase the vessels at the end of the lease term and the Company has accounted for the six agreements as financing transactions.

Operating lease assets used by Navios Acquisition 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 asset. Navios Acquisition determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease assets.

As of 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 step one of the impairment analysis was not required.

During the fourth quarter of fiscal year 2020, management concluded that events occurred and circumstances had changed, which indicated that potential impairment of Navios Acquisition's operating lease assets might exist. These indicators included continued volatility in the spot market, and the related impact of the current tanker sector has on management's expectation for future revenues. As a result, an impairment assessment of operating lease assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for the chartered-in vessel and compared it to operating lease assets' carrying value. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily rate for the unfixed days over the remaining lease term.

As of December 31, 2020, the Company's assessment concluded that step two of the impairment analysis was not required for any charter-in vessel. As a result, the Company did not recognize any impairment loss for the year ended December 31, 2020.

(o) Impairment of long-lived asset group: Vessels, other fixed assets and other long-lived assets held and used by Navios Acquisition 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 Acquisition's 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. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed such as, undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, the unamortized portion of ballast water treatment system costs, exhaust gas cleaning system costs, the unamortized portion of other capitalized items, if any, and related carrying value of the intangible with respect to the time charter agreement attached to that vessel or the carrying value of deposits for newbuildings, if any. Within the shipping industry, vessels are often bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to then 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 individual asset group.

As of December 31, 2021, management concluded that events occurred and circumstances had changed, over previous years, which indicated that potential impairment of Navios Acquisition's long-lived assets might exist. These indicators included continued volatility in the charter market and the related impact of the tanker sector has on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Company determined undiscounted projected net operating cash flows for each vessel and compared it to the vessel's carrying value together with the carrying value of drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to the vessel. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Company's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on the 10-year average historical one year time charter rates) over the remaining economic life of each vessel, net of brokerage and address commissions, excluding days of scheduled off-hires, vessel operating expenses fixed until December 2021 and thereafter assuming an annual increase of 3.0% every second year and a utilization rate of 99.1% based on the fleet's historical performance.

The assessment concluded that no impairment of vessels existed as of December 31, 2021, as the undiscounted projected net operating cash flows exceeded the carrying value. In the event that impairment would occur, the fair value of the related asset would be determined and a charge would be recognized in the statements of operations calculated by comparing the asset's carrying value to its fair value.

During the fourth quarter of fiscal year 2020, management concluded that events occurred and circumstances had changed, over previous years, which indicated that potential impairment of Navios Acquisition's long-lived assets might exist. These indicators included continued volatility in the charter market and the related impact of the tanker sector has on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

Fair value is estimated primarily through the use of third party valuations performed on an individual vessel basis.

Although management believes the underlying assumptions supporting this assessment are reasonable, if charter rate trends vary significantly from the forecasts, management may be required to perform step one of the impairment analysis in the future that could expose Navios Acquisition to material impairment charges in the future.

There was no impairment loss recognized for the years ended December 31, 2021 and December 31, 2020.

During the year ended December 31, 2019, the Company recognized an impairment loss on sale of vessel of $7,287 relating to the sale of the Nave Electron.

(p) Deferred Finance Costs: Deferred finance costs include fees, commissions and legal expenses associated with obtaining or modified credit facilities and are presented as a deduction from the corresponding liability, consistent with debt discount. These costs are amortized over the life of the related facility using the effective interest rate method and are presented under the caption "Interest expense and finance cost". Amortization and write-off of deferred finance costs and bond premium for each of the years ended December 31, 2021, 2020 and 2019 was $6,868, $5,671 and $4,798, respectively.

(q) Goodwill: Goodwill acquired in a business combination is not to be amortized. Goodwill is tested for impairment at the reporting unit level at least annually and written down with a charge to the statements of operations if the carrying amount exceeds the estimated implied fair value.

The Company evaluates impairment of goodwill using a two-step process. First, the aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. The Company determines the fair value of the reporting unit based on a combination of discounted cash flow analysis and an industry market multiple.

If the fair value exceeds the carrying amount, no impairment exists. If the carrying amount of the reporting unit exceeds the fair value, then the Company must perform the second step in order to determine the implied fair value of the reporting unit's goodwill and compare it with its carrying amount. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all the assets and liabilities of that unit, as if the unit had been acquired in a business combination and the fair value of the unit was the purchase price. If the carrying amount of the goodwill exceeds the implied fair value, then goodwill impairment is recognized by writing the goodwill down to its implied fair value.

Navios Acquisition has one reporting unit. No impairment loss was recognized for any of the periods presented.

(r) Intangible assets other than goodwill: The Company's intangible assets consist of favorable lease terms. When intangible assets (or liabilities) associated with the acquisition of a vessel are identified, they 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 management to make significant assumptions and estimates of many variables including market charter rates, expected future charter rates, the level of utilization of its vessels and its relevant discount rate. The use of different assumptions could result in a material change in the fair value of these items, which could have a material impact on the Company's financial position and results of operations.

The amortizable value of favorable leases is amortized over the remaining lease term and the amortization expense is included in the statement of operations in the depreciation and amortization line item.

The amortizable value of favorable leases would be considered impaired if their fair market values could not be recovered from the future undiscounted cash flows associated with the asset.

On September 25, 2019, the U.S. Department of Treasury's Office of Foreign Assets Control added, amongst others, COSCO Shipping Tanker (Dalian) Co., Ltd. ("COSCO Dalian") to the Specially Designated Nationals and Blocked Persons list after being determined by the State Department to meet the criteria for the imposition of sanctions under Executive Order 13846. The Company had two VLCCs chartered to COSCO Dalian, the Nave Constellation (ex. Shinyo Saowalak) and the Nave Universe (ex. Shinyo Kieran), through June 18, 2025 and June 8, 2026, respectively, each at a net rate of $48,153 per day, with profit sharing above $54,388. Subsequent to September 30, 2019, both charter contracts were terminated. As a result an impairment loss of $32,688 has been recorded which is included in "Gain on sale of vessels, net and Impairment loss".

COSCO Dalian was removed from the Specially Designated Nationals and Blocked Persons list on January 31, 2020.

As of each of December 31, 2021 and 2020, the intangible assets of Navios Acquisition were $0.

(s) Deferred Dry dock and Special Survey Costs: Navios Acquisition's vessels are subject to regularly scheduled drydocking and special surveys which are carried out every 30 or 60 months, depending on the vessel's age 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 costs of drydocking and special surveys is deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined. Unamortized drydocking or special survey costs of vessels sold are written off to the consolidated statements of operations in the year the vessel is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For each of the years ended December 31, 2021, 2020 and 2019, the amortization expense was $16,550, $13,493 and $9,576, respectively.

(t) Foreign currency translation: Navios Acquisition's functional and reporting currency is the U.S. dollar. Navios Acquisition 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 Acquisition's 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 consolidated statements of operations. The foreign currency gains/ (losses) recognized in the accompanying Consolidated Statements of Operations under the caption "Other income" or "Other expense", for each of the years ended December 31, 2021, 2020 and 2019 were not material for any of these periods.

(u) Provisions: Navios Acquisition, 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 at the date of the financial statements and the likelihood of the loss was probable and the amount of loss can be reasonably estimated. If Navios Acquisition has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, Navios Acquisition will provide the lower amount of the range. Navios Acquisition, through the Management Agreement with the Manager, participates in Protection and Indemnity (P&I) insurance coverage plans provided by mutual insurance societies known as P&I clubs.

(v) 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. Revenues from time chartering and bareboat chartering of vessels amounted to $223,084, $266,020 and $167,743 for the years ended December 31, 2021, 2020 and 2019, respectively. The majority of revenue from time chartering is usually collected in advance.

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 are determined by the margins 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 on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the collectability is reasonably assured. 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. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. Revenue for vessels operating in pooling arrangements amounted to $22,385, $51,761 and $71,165, for the years ended December 31, 2021, 2020 and 2019, respectively. The majority of revenue from pooling arrangements is usually collected through the month they are incurred.

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. Revenues earned under voyage contracts amounted $4,869, $9,948 and $33,370 for the years ended December 31, 2021, 2020 and 2019, respectively. Capitalized costs as of December 31, 2021 and 2020 related to costs to fulfill the contract amounted to $357 and $0, respectively, and are included under caption "Prepaid expenses and other current assets". Accounts receivable, net, as of December 31, 2021 that related to voyage contracts was $263 (December 31, 2020: $252). The majority of revenue from voyage contracts is usually collected after the discharging takes place.

(Expressed in thousands of U.S. Dollars except share and per share data)

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 half-yearly 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 share elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable. Profit sharing for the years ended December 31, 2021, 2020 and 2019 amounted to $521, $33,709 and $7,839, 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.

Options to extend or terminate a lease

The Company's vessels have the following options to extent or renew their charters:

Vessel	Option
Perseus N	Charterer's option to extend the charter for six months at $12,590 net per day.
Nave Pyxis	Charterer has the option to charter the vessel for an optional six months period at a rate of $15,881 net per day.
Nave Rigel	Charterer has the option to charter the vessel for an optional three months period at $16,088 net per day.
Nave Cetus	Charterer has the option to charter the vessel for an optional three months period at $16,088 net per day.
Nave Alderamin	Charterer has the option to charter the vessel for an optional six months period at a rate of $13,956 net per day.
Nave Orion	Charterer has the option to charter the vessel for an optional six months period at a rate of $13,956 net per day.
Nave Capella	Charterer has the option to charter the vessel for an optional six months period at a rate of $13,956 net per day.
Nave Estella	Charterer has the option to charter the vessel for an optional six months period at a rate of $15,400 net per day.
Nave Velocity	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.
Nave Jupiter	Charterer's option to extend the charter for an optional year at a rate of $16,491 net per day.
Nave Orbit	Charterer has the option to charter the vessel for an optional 18 months period at a rate of $15,306 net per day.
Nave Atria	Charterer has the option to charter the vessel for an optional 18 months period at a rate of $14,887 net per day.
Nave Spherical	Contract provides 100% of BITR TD3C-TCE index plus $5,000 premium. Charterer's option to extend for one year at TD3C-TCE index plus $1,500 premium.
Nave Galactic	Contract provides adjusted BITR TD3C-TCE index with a floor of $17,775, 100% to Navios up to collar $38,759 and 50% thereafter. Charterer's option to extend for six months at same terms.
Baghdad	Charterer's option to extend the bareboat charter for five years at $29,751 net per day.
Erbil	Charterer's option to extend the bareboat charter for five years at $29,751 net per day.
Nave Titan	Charterer has the option to charter the vessel for an optional six months period at a rate of $13,716 net per day.

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, brokerage commissions, charter-in expense and the reasonable estimate of the loss for backstop agreements. Time charter expenses are expensed over the period of the time charter and voyage expenses are recognized as incurred. Contract fulfillment costs (mainly consisting of bunker expenses and port dues) for voyage charters are recognized as deferred contract costs and amortized over the voyage period when the relevant criteria under ASC 340-40 are met or are expensed as incurred.

Direct Vessel Expenses: Direct vessel expenses comprise of the amortization of drydock and special survey costs of certain vessels of Navios Acquisition's fleet and certain extraordinary fees and costs (pursuant to the terms of the management agreement).

Vessel operating expense: Pursuant to the management agreement with the Manager (the "Management Agreement") dated May 28, 2010 as amended from time to time, the Manager provided commercial and technical management services to Navios Acquisition's vessels for a fixed daily fee of: (a) $6.5 per MR2 product tanker and chemical tanker vessel; (b) $7.15 per LR1 product tanker vessel; and (c) the current daily fee of $9.5 per VLCC, through May 2020.

In August 2019, Navios Acquisition extended the duration of its existing Management Agreement until January 1, 2025, to be automatically renewed for another five years. In addition fixed vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.8 per day per MR2 product tanker and chemical tanker vessel; (b) $7.23 per day per LR1 product tanker vessel; and (c) $9.7 per day per VLCC. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% for the remaining period unless agreed otherwise and provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Acquisition in the event the Management Agreement is terminated on or before December 31, 2024.

Following the Liquidation of Navios Europe I in December 2019, Navios Acquisition acquired three MR1 product tankers and two LR1 product tankers. As per the Management Agreement as amended in December 2019, vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.8 per day per MR1 product tanker; and (b) $7.23 per day per LR1 product tanker vessel. All other terms and conditions remained in full force and effect.

Following the Liquidation of Navios Europe II, Navios Acquisition acquired seven containers on June 29, 2020. As per the amendment to the Management Agreement dated June 26, 2020, the vessel operating expenses are fixed at: (a) $5.3 per day per Container vessel of 1,500 TEU up to 1,999 TEU; and (b) $6.1 per day per Container vessel of 2,000 TEU up to 3,450 TEU. All other terms and conditions remained in full force and effect.

Drydocking expenses are reimbursed at cost for all vessels.

General and administrative expenses: On May 28, 2010, Navios Acquisition entered into an Administrative Services Agreement with the Manager, pursuant to which the Manager provides certain administrative management services to Navios Acquisition 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 services. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In May 2014, Navios Acquisition extended the duration of its existing Administrative Services Agreement with the Manager, until May 2020.

In August 2019, Navios Acquisition 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, by Navios Acquisition in the event the Administrative Services Agreement is terminated on or before December 31, 2024.

Deferred Revenue: Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the voyage or charter period.

Prepaid Expenses and Other Current Assets: Prepaid expenses relate primarily to cash paid in advance for expenses associated with voyages, to working capital advances under pooling arrangements and insurance claims. These amounts are recognized as expense over the voyage or charter period. Insurance claims at each balance sheet date consist of claims submitted and/or claims in the process of compilation or submission (claims pending). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reported period, which are probable to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. The classification of insurance claims into current and non-current assets is based on management's expectations as to their collection dates.

(w) 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.

Financial risk management: Navios Acquisition's activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, and fuel prices, credit and interest rate 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 Acquisition closely monitors its exposure to customers and counterparties for credit risk. Navios Acquisition has entered into the Management Agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to Navios Acquisition. When negotiating on behalf of Navios Acquisition various employment contracts, the Manager has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history.

(Expressed in thousands of U.S. Dollars except share and per share data)

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.

(x) Dividends: Dividends are recorded in the Company's financial statements in the period in which they are declared.

(y) Stock based Compensation: The Company accounts for equity instruments issued to employees in accordance with accounting guidance that requires awards to be recorded at their fair value on the date of grant and are amortized over the vesting period of the award. The Company recognizes stock-based compensation expense, for the portion of the awards that are ultimately expected to vest, on a straight line basis over the requisite service period of the award, which is typically its vesting period for those awards.

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 holders of restricted common stock are entitled to dividends paid on the same schedule as paid to the common stock holders of the Company. The fair value of restricted common stock is determined by reference to the quoted stock price on the date of grant of $17.70 per share (or total fair value of $2,094). The effect of compensation expense arising from the stock-based arrangement described above was $98, $296 and $554 for the year ended December 31, 2021, 2020 and 2019, respectively, and it is reflected under the caption "General and administrative expenses" on the consolidated statements of operations. The recognized compensation expense for the year is presented as adjustment to reconcile net income/ (loss) to net cash provided by operating activities on the consolidated statements of cash flows. There were no restricted stock or stock options exercised, forfeited or expired, that were issued in 2017, during the year ended December 31, 2021. As of December 31, 2021 and December 31, 2020, the remaining restricted shares that were issued in 2017, were 0 and 29,251, respectively, and had not yet been vested.

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 holders of restricted common stock are entitled to dividends paid on the same schedule as paid to the holders of common stock of the Company. The fair value of restricted stock is determined by reference to the quoted stock price on the date of grant of $5.36 per share (or total fair value of $693). The effect of compensation expense arising from the stock-based arrangement described above was $75, $185 and $355 for the years ended December 31, 2021, 2020 and 2019, respectively, and is reflected under the caption "General and administrative expenses" on the consolidated statements of operations. The recognized compensation expense for the year is presented as adjustment to reconcile net income/ (loss) to net cash provided by operating activities on the consolidated statements of cash flows. There were no restricted stock or stock options exercised, forfeited or expired, that were issued in 2018, during the year ended December 31, 2021. As of December 31, 2021 and December 31, 2020, the remaining restricted shares that were issued in 2018, were 0 and 63,635, respectively, and had not yet been vested.

Compensation expense is recognized based on a graded expense model over the vesting period.

Following the NNA Merger, the remaining unvested restricted shares were replaced with awards in Navios Partners at an exchanged rate of 1 NNA restricted share to 0.1275 Navios Partners restricted common units.

As of December 31, 2021, there was no estimated compensation cost relating to service conditions of non-vested restricted stock, not yet recognized.

NOTE 3: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents consisted of the following:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 23,922	$ 40,594
Restricted cash	1,915	763
Total cash and cash equivalents and restricted cash	**$ 25,837**	**$ 41,357**

(Expressed in thousands of U.S. Dollars except share and per share data)

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. The Company does maintain cash deposits and equivalents in excess of government-provided insurance limits. The Company also minimizes exposure to credit risk by dealing with a diversified group of major financial institutions.

Restricted cash includes amounts held in retention accounts in order to service debt and interest payments, as required by certain of Navios Acquisition's credit facilities and financial liabilities.

NOTE 4: ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following:

	December 31, 2021	December 31, 2020
Accounts receivable	$ 6,242	$ 8,151
Less: Provision for credit losses	—	—
Accounts receivable, net	**$ 6,242**	**$ 8,151**

Financial instruments that potentially subject Navios Acquisition to concentrations of credit risk are accounts receivable. Navios Acquisition 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.

NOTE 5: INVENTORIES, PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

	December 31, 2021	December 31, 2020
Inventories	$ 7,475	$ 7,130
Advances for working capital purposes	2,950	2,950
Insurance claims	2,534	2,808
Other prepaid expenses	1,614	378
Total inventories, prepaid expenses and other current assets	**$ 14,573**	**$ 13,266**

Inventories, are comprised of bunkers, lubricants and stores remaining on board as of balance sheet date.

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.

(Expressed in thousands of U.S. Dollars except share and per share data)

NOTE 6: VESSELS, NET

Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2018	**$1,687,274**	**$ (303,669)**	**$1,383,605**
Additions/(Depreciation)	102,637	(63,935)	38,702
Disposals	(77,922)	11,153	(66,769)
Vessels impairment loss	(7,287)	—	(7,287)
Balance December 31, 2019	**$1,704,702**	**$ (356,451)**	**$1,348,251**
Additions/(Depreciation)	4,756	(66,629)	(61,873)
Balance December 31, 2020	**$1,709,458**	**$ (423,080)**	**$1,286,378**
Additions/(Depreciation)	5,132	(64,729)	(59,597)
Disposals	(72,106)	17,193	(54,913)
Balance December 31, 2021	**$1,642,484**	**$ (470,616)**	**$1,171,868**

Additions of vessels

2021

As of December 31, 2021, certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, amounted to $5,132 (see Note 15 — Transactions with related parties).

2020

As of December 31, 2020, certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, amounted to $4,756 (see Note 15 — Transactions with related parties).

2019

As of December 31, 2019, certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, amounted to $18,207 (see Note 15 — Transactions with related parties).

During the quarter ended December 31, 2019, Navios Acquisition acquired five product tankers, two LR1 product tankers and three MR1 product tankers for an acquisition cost of approximately $84,430 in total, following the Liquidation of Navios Europe I, through bank financing of $32,500 and $33,210 receivables (Please refer to Note 9 – Investments in Affiliates).

For each of the vessels purchased from Navios Europe I, the acquisition of all vessels 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, including the respective charter-out contracts. Management accounted for each acquisition as an asset acquisition under ASC 805. At the transaction date, the purchase price approximated the fair value of the assets acquired, which was determined based on a combination of methodologies including discounted cash flow analyses and independent valuation analysis.

Disposals of vessels

2021

On March 1, 2021, Navios Acquisition sold the Nave Celeste, a 2003-built VLCC vessel of 298,717 dwt to an unaffiliated third party for a net sale price of $23,523. The loss on sale of the vessel amounted to $1,703, which is included in "Gain on sale of vessels, net and Impairment loss".

(Expressed in thousands of U.S. Dollars except share and per share data)

On June 14, 2021, Navios Acquisition sold the Nave Neutrino, a 2003-built VLCC vessel of 298,287 dwt to an unaffiliated third party for a net sale price of $24,500. The loss on sale of the vessel amounted to $6,172, which is included in "Gain on sale of vessels, net and Impairment loss".

2019

On March 25, 2019, Navios Acquisition sold the C. Dream, a 2000-built VLCC vessel of 298,570 dwt to an unaffiliated third party for a sale price of $21,750. The gain on sale of the vessel amounted to $651, which is included in "Gain on sale of vessels, net and Impairment loss".

On May 10, 2019, following a collision incident, Navios Acquisition sold the Shinyo Ocean, a 2001-built VLCC vessel of 281,395 dwt to an unaffiliated third party for a sale price of $12,525. The gain on sale of the vessel, including the insurance claim proceeds, amounted to $2,594, which is included in "Gain on sale of vessels, net and Impairment loss".

On October 8, 2019, Navios Acquisition sold the Nave Electron, a 2002-built VLCC vessel of 305,178 dwt to an unaffiliated third party for a sale price of $25,250.

Impairment loss

As of December 31, 2021, management concluded that events occurred and circumstances had changed, over previous years, which indicated that potential impairment of Navios Acquisition's long-lived assets might exist. These indicators included continued volatility in the charter market and the related impact of the tanker sector has on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

During the fourth quarter of fiscal year 2020, management concluded that events occurred and circumstances had changed, over previous years, which indicated that potential impairment of Navios Acquisition's long-lived assets might exist. These indicators included continued volatility in the charter market and the related impact of the tanker sector has on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

There was no impairment loss recognized for the years ended December 31, 2021 and December 31, 2020.

During the year ended December 31, 2019 and as a result of the impairment review performed, it was determined that the carrying amount of one tanker was not recoverable and, therefore, an impairment loss of $7,287 was recognized which is included in "Gain on sale of vessels, net and Impairment loss".

NOTE 7: GOODWILL

Goodwill as of December 31, 2021 and December 31, 2020 amounted to:

Balance at December 31, 2020	$1,579
Balance at December 31, 2021	$1,579

NOTE 8: ASSETS HELD FOR SALE / LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

Following the Liquidation of Navios Europe II (Note 9 - Investments in affiliates) on June 29, 2020, Navios Acquisition acquired seven vessel owning companies. For each of the vessels purchased from Navios Europe II, the acquisition of all vessels 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, including the respective charter-out contracts. Management accounted for each acquisition as an asset acquisition under ASC 805. At the transaction date, the purchase price approximated the fair value of the assets acquired.

Upon acquisition of the vessel owning companies, the Company assessed that all the held for sale criteria were met for their assets, mainly consisting of the vessels owned and reviewed the carrying amounts in connection with their fair market values less any costs to sell. On the transaction date the fair value of the vessels was determined based on a combination of methodologies including discounted cash flow analyses and independent valuation analyses.

During the quarter ended March 31, 2021, Navios Acquisition sold the Solstice N, a 2007-built container vessel of 44,023 dwt to an unaffiliated third party for a net sale price of $10,780 and the Allegro N, a 2014-built container vessel of 46,999 dwt to an unaffiliated third party for a net sale price of $13,793. The gain on sale of the vessels amounted to $780 and $938, respectively, which is included in "Gain on sale of vessels, net and Impairment loss".

During the quarter ended June 30, 2021, Navios Acquisition sold the Acrux N, a 2010-built container vessel of 23,338 dwt, the Vita N, a 2010-built container vessel of 23,359 dwt, to unaffiliated third parties and the vessels the Ete N, a 2012-built container vessel of 41,139 dwt, the Fleur N, a 2012-built container vessel of 41,130 dwt, and the Spectrum N, a 2009-built container vessel of 34,333 dwt, to a related party for an aggregate net sale price of $73,483. The gain on sale of the vessels amounted to $20,584, which is included in "Gain on sale of vessels, net and impairment loss".

Furthermore, liabilities associated with the assets held for sale are separately presented under "Liabilities associated with assets held for sale" in the accompanying consolidated balance sheets. As of December 31, 2021 the balance amounts to $0 (the major class of assets held for sale consisted of the carrying value of vessels as of December 31, 2020: $75,920). As of December 31, 2020, the major class of liabilities associated with assets held for sale, consist of their respective debt with a carrying amount of $31,700, which was repaid in the first quarter of 2021. Please refer to Note 13—Borrowings.

NOTE 9: INVESTMENT IN AFFILIATES

Navios Europe I

On October 9, 2013, Navios Maritime Holdings Inc. ("Navios Holdings"), Navios Acquisition and Navios Partners established Navios Europe I and had economic interests of 47.5%, 47.5% and 5.0%, respectively. On December 18, 2013, Navios Europe I acquired ten vessels for aggregate consideration consisting of (i) cash which was funded with the proceeds of senior loan facility (the "Senior Loan I") and loans aggregating $10,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the "Navios Term Loans I") and (ii) the assumption of a junior participating loan facility (the "Junior Loan I"). In addition to the Navios Term Loans I, Navios Holdings, Navios Acquisition and Navios Partners agreed to make available to Navios Europe I revolving loans up to $24,100 to fund working capital requirements (collectively, the "Navios Revolving Loans I"). In December 2018, the availability under the Revolving Loans I was increased by $30,000. Effective November 2014 and through the Liquidation completed in December 2019, Navios Holdings, Navios Acquisition and Navios Partners had a voting interest of 50%, 50% and 0%, respectively.

On an ongoing basis, Navios Europe I was required to distribute cash flows (after payment of operating expenses, amounts due pursuant to the terms of the Senior Loan I and repayments of the Navios Revolving Loans I) according to a defined waterfall calculation.

Following the Liquidation of Navios Europe I, Navios Acquisition acquired five vessel owning companies for an acquisition cost of approximately $84,627 in total.

As of each of December 31, 2021 and 2020, and subsequent to the Liquidation of Navios Europe I, the Company had no exposure.

For the year ended December 31, 2019, income of $1,173 was recognized in "Equity in net earnings of affiliated companies".

Navios Europe II

On February 18, 2015, Navios Holdings, Navios Acquisition and Navios Partners established Navios Europe II Inc. and had in such entity economic interests of 47.5%, 47.5% and 5.0%, respectively, and voting interests of 50.0%, 50.0% and 0%, respectively. From June 8, 2015 through December 31, 2015, Navios Europe II acquired fourteen vessels for: (i) cash consideration of $145,550 (which was funded with the proceeds of $131,550 of senior loan facilities (the "Senior Loans II") and loans aggregating $14,000 from Navios Holdings, Navios Acquisition and Navios Partners (collectively, the "Navios Term Loans II"); and (ii) the assumption of a junior participating loan facility (the "Junior Loan II") with a face amount of $182,150 and fair value of $99,147. In addition to the Navios Term Loans II, Navios Holdings, Navios Acquisition and Navios Partners agreed to make available to Navios Europe II revolving loans up to $57,500 to fund working capital requirements (collectively, the "Navios Revolving Loans II"). On April 21, 2020, Navios Europe II agreed with the lender to fully release the liabilities under the junior participating loan facility for $5,000.

On an ongoing basis, Navios Europe II was required to distribute cash flows (after payment of operating expenses, amounts due pursuant to the terms of the Senior Loans and repayments of the Navios Revolving Loans II) according to a defined waterfall calculation.

(Expressed in thousands of U.S. Dollars except share and per share data)

Following the liquidation of Navios Europe II, which was completed in June 2020 ("Liquidation of Navios Europe II"), Navios Acquisition acquired seven vessel owning companies. The vessels are containerships and meet the criteria to be accounted for as assets held for sale (see Note 8 – Assets held for sale / Liabilities associated with assets held for sale).

As of each of December 31, 2021 and December 31, 2020, and subsequent to the Liquidation of Navios Europe II, the Company had no exposure.

The decline in the fair value of the investment was considered as other-than-temporary and, therefore, an aggregate loss of $13,900 was recognized as of March 31, 2020 and included in the accompanying consolidated statements of operations for the year ended December 31, 2020, as "Gain on sale of vessels, net and Impairment loss." The fair value of the Company's investment was determined based on the liquidation value of Navios Europe II, determined on the individual fair values assigned to the assets and liabilities of Navios Europe II.

For the year ended December 31, 2019, income of $1,775 was recognized in "Equity in net earnings of affiliated companies".

NOTE 10: ACCOUNTS PAYABLE

Accounts payable as of December 31, 2021 and 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Creditors	$ 5,645	$ 5,467
Brokers	2,171	2,796
Professional and legal fees	2,351	2,342
Total accounts payable	**$ 10,167**	**$ 10,605**

NOTE 11: DIVIDENDS PAYABLE

On January 25, 2019, the Board of Directors declared a quarterly cash dividend in respect of the fourth quarter of 2018 of $0.30 per share of common stock of amount $4,121 which was paid on March 27, 2019 to stockholders of record as of February 27, 2019.

On May 10, 2019, the Board of Directors declared a quarterly cash dividend in respect of the first quarter of 2019 of $0.30 per share of common stock of amount $4,119 which was paid on June 27, 2019 to stockholders of record as of May 29, 2019.

On July 24, 2019, the Board of Directors declared a quarterly cash dividend in respect of the second quarter of 2019 of $0.30 per share of common stock of amount $4,119 which was paid on October 9, 2019, to stockholders of record as of September 25, 2019.

On November 5, 2019, the Board of Directors declared a quarterly cash dividend in respect of the third quarter of 2019 of $0.30 per share of common stock of amount $4,704 which was paid on January 9, 2020, to stockholders of record as of December 17, 2019.

On January 22, 2020, the Board of Directors declared a quarterly cash dividend in respect of the fourth quarter of 2019 of $0.30 per share of common stock of amount $4,762 which was paid on April 7, 2020 to stockholders of record as of March 5, 2020.

On April 29, 2020, the Board of Directors declared a quarterly cash dividend in respect of the first quarter of 2020 of $0.30 per share of common stock of amount $4,809 which was paid on July 9, 2020 to stockholders of record as of June 3, 2020.

On July 28, 2020, the Board of Directors declared a quarterly cash dividend in respect of the second quarter of 2020 of $0.30 per share of common stock of amount $4,929 which was paid on October 8, 2020 to stockholders of record as of September 4, 2020.

On November 2, 2020, the Board of Directors declared a quarterly cash dividend in respect of the third quarter of 2020 of $0.05 per share of common stock of amount $828 which was paid on February 10, 2021 to stockholders of record as of January 12, 2021 and is included under caption "Dividends payable" on the consolidated balance sheets.

(Expressed in thousands of U.S. Dollars except share and per share data)

In April 2021, the Board decided to suspend its quarterly dividend to its stockholders.

The declaration and payment of any further dividends remain subject to the discretion of the Board of Directors and will depend on, among other things, Navios Acquisition's 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.

NOTE 12: ACCRUED EXPENSES

Accrued expenses as of December 31, 2021 and December 31, 2020 consisted of the following:

	December 31, 2021	December 31, 2020
Accrued voyage expenses	$ 1,827	$ 2,248
Accrued loan interest	2,618	8,194
Accrued legal and professional fees	375	2,083
Total accrued expenses	**$ 4,820**	**$ 12,525**

NOTE 13: BORROWINGS

	December 31, 2021	December 31, 2020
DVB Bank S.E. and Credit Agricole Corporate and Investment Bank	$ —	$ 36,328
Ship Mortgage Notes $670,000	—	602,600
Deutsche Bank AG Filiale Deutschlandgeschaft and Skandinaviska Enskilda Banken AB	—	16,099
BNP Paribas $44,000	—	24,000
HCOB $24,000	—	15,991
HCOB $31,800	—	28,416
Eurobank S.A. $20,800	16,000	19,200
BNP Paribas and Credit Agricole Corporate and Investment Bank $96,000	61,226	—
DNB $72,710	46,000	—
Total credit facilities	**$ 123,226**	**$ 742,634**
Sale and Leaseback Agreements–$71,500	49,156	55,115
Sale and Leaseback Agreements–$103,155	73,886	88,654
Sale and Leaseback Agreements–$15,000	10,469	12,344
Sale and Leaseback Agreements–$47,220	33,709	40,408
Sale and Leaseback Agreements–$90,811	68,198	79,504
Sale and Leaseback Agreements–$72,053	58,256	68,470
Total borrowings	**$ 416,900**	**$ 1,087,129**
Less: Deferred finance costs, net	(12,448)	(10,826)
Add: bond premium	—	284
Less: current portion of credit facilities, net of deferred finance costs	(18,997)	(666,027)
Less: current portion of Sale and Leaseback Agreements, net of deferred finance costs	(48,419)	(38,745)
Total long-term borrowings, net of current portion, bond premium and deferred finance costs	**$ 337,036**	**$ 371,815**

Long-Term Debt Obligations and Credit Arrangements

Ship Mortgage Notes:

8 1/8% First Priority Ship Mortgages: On November 13, 2013, the Company and its wholly owned subsidiary, Navios Acquisition Finance (US) Inc. ("Navios Acquisition Finance" and together with the Company, the "2021 Co-Issuers") issued $610,000 in first priority ship mortgage notes (the "Existing Notes") due on November 15, 2021 at a fixed rate of 8.125%.

On March 31, 2014, the Company completed a sale of $60,000 of its first priority ship mortgage notes due in 2021 (the "Additional Notes," and together with the Existing Notes, the "2021 Notes" or the "Ship Mortgage Notes"). The terms of the Additional Notes were identical to the Existing Notes and were issued at 103.25% plus accrued interest from November 13, 2013.

The 2021 Co-Issuers had the option to redeem the 2021 Notes in whole or in part, at a fixed price of 106.094% of the principal amount, which price declined ratably until it reached par in 2019, plus accrued and unpaid interest, if any.

In addition, upon the occurrence of certain change of control events, the holders of the 2021 Notes had the right to require the 2021 Co-Issuers to repurchase some or all of the 2021 Notes at 101% of their face amount, plus accrued and unpaid interest to the repurchase date.

The 2021 Notes contained covenants which, among other things, limited the incurrence of additional indebtedness, issuance of certain preferred stock, the payment of dividends, redemption or repurchase of capital stock or making restricted payments and investments, creation of certain liens, transfer or sale of assets, entering in transactions with affiliates, merging or consolidating or selling all or substantially all of the 2021 Co-Issuers' properties and assets and creation or designation of restricted subsidiaries.

In connection with the release of the Nave Celeste and the Nave Neutrino from the 2021 Notes, the Nave Spherical and an amount of $5,228 were added as collateral.

In the second quarter of 2021, Navios Acquisition repurchased $53,297 of its Ship Mortgage Notes for a cash consideration of $42,479 resulting in a gain on bond repurchase of $10,698 net of deferred fees written-off.

In the third quarter of 2021, Navios Acquisition repurchased $151,825 of its Ship Mortgage Notes for a cash consideration of $131,898 resulting in a gain on bond repurchase of $19,927.

On August 26, 2021, Navios Acquisition called for redemption by delivery all of its outstanding Ship Mortgage Notes by delivery of a redemption notice to the registered holders of the Ship Mortgage Notes and remitted to the indenture trustee the aggregate redemption price payable to the holders of the Ship Mortgage Notes to satisfy and discharge Navios Acquisition's obligations under the indenture relating to the Ship Mortgage Notes. Navios Acquisition funded the approximately $397,478 aggregate redemption price with net proceeds from the sale by Navios Acquisition pursuant to the NNA Merger (in reliance on the exemption from registration provided for under Section 4(a)(2) of the Securities Act) of 44,117,647 shares of Navios Acquisition common stock to Navios Partners for an aggregate purchase price of $150,000 (the "Equity Issuance"), and borrowings under the Hamburg Commercial Bank AG facility dated in August 2021 and BNP Paribas S.A. Bank facility dated in August 2021. The Ship Mortgage Notes were redeemed in full on September 25, 2021. Following the redemption, an amount of $434 concerning deferred fees written-off was included under the caption "Gain on bond repurchase" in the consolidated statements of operations.

Credit Facilities

As of December 31, 2021, the Company had secured credit facilities with various commercial banks with a total outstanding balance of $123,226.

DVB Bank S.E. and Credit Agricole Corporate and Investment Bank: On December 29, 2011, Navios Acquisition entered into a loan agreement with DVB Bank SE and Credit Agricole Corporate and Investment Bank of up to $56,250 (divided into two tranches of $28,125 each) to partially finance the purchase price of two MR2 product tanker vessels. Each tranche of the facility was repayable in 32 quarterly installments of $391 each with a final balloon payment of $15,625 to be repaid on the last repayment date. The repayment started three months after the delivery of the respective vessel and bore interest at a rate of LIBOR plus: (a) up to but not including the drawdown date, 175 bps per annum; (b) thereafter until, but not including, the tenth repayment date, 250 bps per annum; and (c) thereafter 300 bps per annum. On December 15, 2021, Navios Acquisition fully repaid the outstanding balance of $33,594. Following this repayment, an amount of $155 was written-off from the deferred finance fees.

Deutsche Bank AG Filiale Deutschlandgeschaft and Skandinaviska Enskilda Banken AB: In November 2015, Navios Acquisition, entered into a term loan facility of up to $125,000 (divided into five tranches) with Deutsche Bank AG Filiale Deutschlandgeschaft and Skandinaviska Enskilda Banken AB for the: (i) financing of the purchase price of the Nave Spherical; and (ii) the refinancing of the existing facility with Deutsche Bank AG Filiale Deutschlandgescaft and Skandinaviska Enskilda Banken AB, dated July 18, 2014. Four of the five tranches of the facility were repayable in 20 quarterly installments of between approximately $435 and $1,896, each with a final balloon repayment to be made on the last repayment date. The fifth tranche was repayable in 16 quarterly installments of between approximately $709 and $803, each. The maturity date of the loan was in the fourth quarter of 2020. The credit facility bore interest at LIBOR plus 295 bps per annum. In March 2021, Navios Acquisition fully repaid the amount of $16,100.

On March 23, 2018, Navios Acquisition prepaid $26,770, being the respective tranche of the Deutsche Bank AG Filiale Deutschlandgeschaft and Skandinaviska Enskilda Banken AB facility that was drawn to finance the Nave Equinox and the Nave Pyxis, which substituted the Nave Galactic as collateral vessels under the 8 1/8% 2021 Notes. Following the prepayment, an amount of $297 was written-off in the consolidated statement of operations. On June 18, 2020, Navios Acquisition prepaid $16,272, being the respective tranche of the Deutsche Bank AG Filiale Deutschlandgeschaft and Skandinaviska Enskilda Banken AB facility that was drawn to finance the Nave Sextans. Following the prepayment, an amount of $26 was written-off in the consolidated statement of operations. In October 2020, Navios Acquisition extended the maturity date of the loan to February 2021. As of December 31, 2020, the outstanding balance under this facility was $16,099. In February 2021, Navios Acquisition further extended the maturity date of the loan to March 2021. In March 2021, Navios Acquisition fully repaid the amount of $16,099.

BNP Paribas S.A. Bank Facilities: On December 18, 2015, Navios Acquisition, through certain of its wholly owned subsidiaries, entered into a term loan facility agreement of up to $44,000 with BNP Paribas, as agent and the lenders named therein, for the partial post-delivery financing of a LR1 product tanker and a MR2 product tanker. The credit facility was repayable in 12 equal consecutive semi-annual installments in the amount of $2,000 each, with a final balloon payment of $20,000 repaid on the last repayment date. The loan matured in December 2021. The loan bore interest at LIBOR plus 230 bps per annum. In December 2021, the outstanding balance of the loan amounting to $22,000 was fully repaid.

In August 2021, Navios Acquisition, entered into a loan facility agreement of up to $96,000 with BNP Paribas and Credit Agricole Corporate and Investment Bank (the "$96.0 Facility"), in order to partially refinance the existing indebtedness of five tanker vessels. In December 2021, the $96.0 Facility was amended, in order to replace and release Navios Acquisition as guarantor with Navios Partners and to add one container vessel of Navios Containers as collateral. Following the amendment, as of December 31, 2021, the remaining outstanding balance of the credit facility for the tanker vessels was $61,226 of Navios Acquisition and is repayable in 15 equal consecutive quarterly installments in the amount of $3,350 each, with a final balloon payment of $10,972 to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

Hamburg Commercial Bank AG Facilities: In June 2017, Navios Acquisition entered into a loan facility with Hamburg Commercial Bank AG (the "HCOB") for an amount of $24,000 to refinance an existing credit facility with ABN AMRO Bank N.V. of its two chemical tankers. The facility was repayable in 17 equal consecutive quarterly installments of $572 each, with a final balloon payment of the balance to be repaid on the last repayment date. The facility was scheduled to mature in September 2021 and bore interest at LIBOR plus 300 bps per annum. In August 2021, the outstanding balance of the loan amounted to $14,847 which was prepaid and refinanced.

In October 2019, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG of up to $31,800 in order to refinance one VLCC. The facility was repayable in four quarterly installments of $846 each with a final balloon payment of $28,416 repayable on the last repayment date. The facility was expected to mature in October 2020 and bore interest at LIBOR plus 280 bps per annum. In October 2020, Navios Acquisition extended the maturity date of the loan to October 2024. The remaining balance of the facility was repayable in 16 quarterly installments of $846 each with a final balloon payment of $14,880 repayable on the last repayment date and bore interest at LIBOR plus 390 bps per annum. In August 2021, the outstanding balance of the loan amounted to $25,878 which was prepaid and refinanced.

In August 2021, Navios Acquisition entered into a loan agreement with Hamburg Commercial Bank AG and Alpha Bank S.A. of $190,216 in order to partially refinance the existing indebtedness of seven tanker vessels. Pursuant to an amendment and restatement in December 2021, Navios Acquisition was released and replaced as borrower with Navios Partners, and two container vessels were added as collateral. As of December 31, 2021, the outstanding balance of the loan amounted to $0.

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 matures in June 2024 and bears interest at LIBOR plus 300 bps per annum. As of December 31, 2021, the remaining outstanding balance of the credit facility was $16,000 and is repayable in ten quarterly installments of $800 each with a final balloon payment of $8,000 repayable on the last repayment date.

DNB BANK ASA Credit Facilities: On December 13, 2021, three subsidiaries of Navios Acquisition and two subsidiaries of Navios Partners entered into a new sustainability linked credit facility with DNB Bank ASA of up to $72,710 for the refinancing of their existing obligations. On December 15, 2021, the full amount, which includes a tranche of $46,000 related to our subsidiaries, was drawn. As of December 31, 2021, the Navios Acquisition's tranche is repayable in 19 consecutive quarterly installments of $1,275 each following a final balloon payment of $21,775 to be paid on the last repayment date. The facility matures in the fourth quarter of 2026 and bears interest at LIBOR 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).

Amounts drawn under the facilities are secured by first preferred mortgages on vessels and other collateral, such as, among others, guarantees, share and account pledges. The credit facilities contain a number of restrictive covenants that prohibit or limit Navios Acquisition from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; changing the flag, class, management or ownership of Navios Acquisition's vessels; changing the commercial and technical management of Navios Acquisition's vessels; selling Navios Acquisition's vessels; and subordinating the obligations under each credit facility to any general and administrative costs relating to the vessels, including the fixed daily fee payable under the Management Agreement. The credit facilities also require Navios Acquisition to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times.

As of December 31, 2021, no amount was available to be drawn from the Company's facilities.

Sale and Leaseback Agreements

As of December 31, 2021, the Company had sale and leaseback agreements with various unrelated third parties with a total outstanding balance of $293,674.

As of each of December 31, 2021 and December 31, 2020, the deposits under the sale and leaseback agreements were $9,058, and are presented under "Other long term assets" in the consolidated balance sheets.

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 the Company 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, the Company drew $71,500 under this agreement. The agreement is repayable in 24 equal consecutive quarterly installments of approximately $1,490 each, with a repurchase obligation of $35,750 on the last repayment date. The sale and leaseback agreement matures in April 2024 and bears interest at LIBOR plus 305 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was $49,156.

(Expressed in thousands of U.S. Dollars except share and per share data)

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 the acquisition of two 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. Following a prepayment made in April 2021, the agreements will be repayable in 17 equal consecutive quarterly installments of $2,267 each, followed by one quarterly installment of $1,369, with a purchase obligation of $33,975 to be repaid on the last repayment date. The sale and leaseback agreements mature in March and April 2026 respectively, and bear interest at LIBOR plus 350 bps per annum. As of December 31, 2021, the outstanding balance under these agreements was $73,886.

In August 2019, the Company entered into an additional sale and leaseback agreement of $15,000, with unrelated third parties in order to refinance one product tanker. Navios Acquisition has a purchase option in place and an assessment has been performed indicating that the likelihood of the vessel remaining in the property of the lessor is remote. In such a case, the buyer-lessor does not obtain control of the vessel and under ASC 842-40, the transaction was determined to be a failed sale. Navios Acquisition is obligated to make 60 consecutive monthly payments of approximately $156, commencing as of August 2019 with a purchase obligation of $5,625 to be repaid on the last repayment date. The agreement matures in August 2024 and bear interest at LIBOR plus an implied margin of 380 bps per annum. As of December 31, 2021, the outstanding balance under this agreement was $10,469.

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. Following a prepayment made in April 2021, the agreements is repayable through periods ranging from four to seven years in consecutive quarterly installments of up to $1,362 each, with a purchase obligation of $17,950 to be repaid on the last repayment date. The agreements mature in September 2023 and September 2026 and bear interest at LIBOR plus a margin ranging from 350 bps to 360 per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under this agreement was $33,709.

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 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 are repayable through periods ranging from three to eight years in consecutive quarterly installments of up to $2,827 each, with a repurchase obligation of up to $25,810 in total. The sale and leaseback arrangement bears interest at LIBOR plus a margin ranging from 335 bps to 355 bps per annum, depending on the vessel financed. As of December 31, 2021, the outstanding balance under this agreement was $68,198.

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 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. Following a prepayment made in April 2021, the agreements are repayable through periods ranging from four to seven years in consecutive quarterly installments of up to $1,791 each, with a repurchase obligation of up to $23,913 in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 390 bps to 410 bps per annum, depending on vessel financed. As of December 31, 2021, the outstanding balance under the agreements was $58,256.

The annualized weighted average interest rates of the Company's total borrowings were 6.1%, 6.4% and 7.1% for the years ended December 31, 2021, 2020 and 2019, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Navios Acquisition outstanding as of December 31, 2021, based on the repayment schedules of the respective credit facilities and financial liabilities (as described above).

Long-Term Debt Obligations: **Year**	
December 31, 2022	71,833
December 31, 2023	67,586
December 31, 2024	103,151
December 31, 2025	48,212
December 31, 2026	83,788
December 31, 2027 and thereafter	42,330
Total	**$416,900**

The Company's credit facilities and certain financial liabilities also require compliance with a number of financial covenants, some of which are tested at the Navios Partners level following the completion of the NNA Merger, including: (i) maintain a required security ranging over 105% to 135%; (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) 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, 2021, Navios Acquisition 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.

NOTE 14: FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

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 investments.

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 investments.

Accounts receivable, net: Carrying amounts are considered to approximate fair value due to the short-term nature of these accounts receivables and no significant changes in interest rates. All amounts that are assumed to be uncollectible are written-off and/or reserved.

Accounts payable: The carrying amount of accounts payable reported in the balance sheet approximates its fair value due to the short-term nature of these accounts payable and no significant changes in interest rates.

Due from related parties, long-term: The carrying amount of due from related parties, long-term reported in the balance sheet approximates its fair value.

Other long-term debt, net of deferred finance costs: The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred finance costs.

Ship Mortgage Notes and premiums: The fair value of the 2021 Notes, which has a fixed rate, was determined based on quoted market prices, as indicated in the table below.

Loans payable to parent group companies: The outstanding balance of the loans approximates its fair value, excluding the effect of any deferred finance costs.

Assets held for sale: The carrying amount of assets held for sale includes vessels held for sale of which carrying amount approximates its fair value due to the fact that their remeasurement was based on either concluded sales prices or third party valuations performed on an individual basis and no significant changes in fair values of similar vessels and other assets held for sale of which carrying amount approximates the fair value due to the short-term nature and no significant changes in interest rates.

Liabilities associated with assets held for sale: Liabilities associated with assets held for sale consist mainly of floating rate loans and continue to approximate their fair value.

(Expressed in thousands of U.S. Dollars except share and per share data)

Due to parent group companies, short-term: The carrying amount of due to parent group companies, short-term reported in the balance sheet approximates its fair value.

Due to related parties, short-term: The carrying amount of due to related parties, short-term reported in the balance sheet approximates its fair value.

	December 31, 2021		December 31, 2020	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	$ 23,922	$ 23,922	$ 40,594	$ 40,594
Restricted cash	$ 1,915	$ 1,915	$ 763	$ 763
Accounts receivable, net	$ 6,242	$ 6,242	$ 8,151	$ 8,151
Accounts payable	$ (10,167)	$ (10,167)	$ (10,605)	$ (10,605)
Ship mortgage notes and premium	$ —	$ —	$(600,638)	$(400,554)
Other long-term debt	$(404,452)	$(416,900)	$(475,949)	$(484,529)
Loans payable to parent group companies	$(334,797)	$(335,134)	$ —	$ —
Due from related parties, long-term	$ 14,223	$ 14,223	$ 14,658	$ 14,658
Assets held for sale	$ —	$ —	$ 77,831	$ 77,831
Liabilities associated with assets held for sale	$ —	$ —	$ (34,071)	$ (34,071)
Due to parent group companies, short-term	$ (25,685)	$ (25,685)	$ —	$ —
Due to related parties, short-term	$ (25,910)	$ (25,910)	$ —	$ —

Fair Value Measurements

The estimated fair value of the financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, is as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have 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, 2021 and December 31, 2020.

	Fair Value Measurements as at December 31, 2021			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 23,922	$ 23,922	$ —	$ —
Restricted cash	$ 1,915	$ 1,915	$ —	$ —
Accounts receivable	$ 6,242	$ 6,242	$ —	$ —
Accounts payable	$ (10,167)	$(10,167)	$ —	$ —
Other long-term debt(1)	$(416,900)	$ —	$(416,900)	$ —
Loans payable to parent group companies (5)	$(335,134)	$ —	$(335,134)	$ —
Due from related parties, long-term (2)	$ 14,223	$ —	$ (14,223)	$ —
Due to parent group companies, short-term (6)	$ (25,685)	$ —	$ (25,685)	$ —
Due to related parties, short-term (7)	$ (25,910)	$ —	$ (25,910)	$ —

(Expressed in thousands of U.S. Dollars except share and per share data)

	Fair Value Measurements as at December 31, 2020			
	Total	Level I	Level II	Level III
Cash and cash equivalents	$ 40,594	$ 40,594	$ —	$ —
Restricted cash	$ 763	$ 763	$ —	$ —
Accounts receivable	$ 8,151	$ 8,151	$ —	$ —
Accounts payable	$ (10,605)	$ (10,605)	$ —	$ —
Ship mortgage notes and premium	$(400,554)	$(400,554)	$ —	$ —
Other long-term debt (1)	$(484,529)	$ —	$(484,529)	$ —
Due from related parties, long-term (2)	$ 14,658	$ —	$ 14,658	$ —
Assets held for sale (3)	$ 77,831	$ —	$ 77,831	$ —
Liabilities associated with assets held for sale (4)	$ (34,071)	$ —	$ (34,071)	$ —

(1) The fair value of the Company's other long-term debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.
(2) The fair value of the Company's long term amounts due from related parties is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.
(3) The fair value of the Company's assets held for sale depends on the fair value of the vessels accounted for as held for sale and is estimated based on their concluded sale prices or third party valuations performed on an individual basis using available data for vessels with similar characteristics, age and capacity. The fair value of assets held for sale is considered level 2.
(4) The fair value of the Company's liabilities associated with assets held for sale depended mainly on the fair value of floating rate loans and was based on available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness. The fair value of the liabilities associated with assets held for sale was considered level 2.
(5) The fair value of the Company's loans payable to parent group companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.
(6) The fair value of the Company's short term amounts due to parent group companies is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.
(7) The fair value of the Company's short term amounts due to related parties is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.

NOTE 15: TRANSACTIONS WITH RELATED PARTIES

Vessel operating expenses: Pursuant to Management Agreement, the Manager provided commercial and technical management services to Navios Acquisition's vessels for a fixed daily fee of: (a) $6.5 per MR2 product tanker and chemical tanker vessel; (b) $7.15 per LR1 product tanker vessel; and (c) the current daily fee of $9.5 per VLCC, through May 2020.

In August 2019, Navios Acquisition extended the duration of its existing Management Agreement with the Manager until January 1, 2025, to be automatically renewed for another five years. In addition, fixed vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.8 per day per MR2 product tanker and chemical tanker vessel; (b) $7.23 per day per LR1 product tanker vessel; and (c) $9.7 per day per VLCC. The agreement also provides for a technical and commercial management fee of $0.05 per day per vessel and an annual increase of 3% for the remaining period unless agreed otherwise and provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Acquisition in the event the Management Agreement is terminated on or before December 31, 2024.

Following the Liquidation of Navios Europe I in December 2019, Navios Acquisition acquired three MR1 product tankers and two LR1 product tankers. As per the Management Agreement, as further amended in December 2019, vessel operating expenses are fixed for two years commencing from January 1, 2020 at: (a) $6.8 per day per MR1 product tanker; and (b) $7.23 per day per LR1 product tanker vessel. All other terms and conditions remained in full force and effect.

Following the Liquidation of Navios Europe II, Navios Acquisition acquired seven containers on June 29, 2020. As per the amendment to the Management Agreement dated June 26, 2020, the vessel operating expenses are fixed at: (a) $5.3 per day per Container vessel of 1,500 TEU up to 1,999 TEU; and (b) $6.1 per day per Container vessel of 2,000 TEU up to 3,450 TEU. All other terms and conditions remained in full force and effect.

Drydocking expenses are reimbursed at cost for all vessels.

During the years ended December 31, 2021 and 2020 certain extraordinary fees and costs related to regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation and under Company's Management Agreement amounted to $5,132 and $4,756, respectively, and are presented under "Acquisition of vessels/ vessels improvements" in the consolidated Statements of Cash Flows (Please refer to Note 6 – Vessels, net). During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $2,607 are presented under the caption of "Direct vessel expenses" in the Consolidated Statements of Operations. During year ended December 31, 2021, certain extraordinary fees and costs related to Covid-19 measures, including crew related expenses, amounted to $1,117 are presented under the caption of "Other expense" in the Consolidated Statements of Operations.

Total fixed vessel operating expenses for each of the years ended December 31, 2021, 2020 and 2019 amounted to $120,281, $127,611 and $107,748, respectively.

General and administrative expenses: On May 28, 2010, Navios Acquisition entered into an Administrative Services Agreement with the Manager, pursuant to which the Manager provides certain administrative management services to Navios Acquisition 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 services. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In May 2014, Navios Acquisition extended the duration of its existing Administrative Services Agreement with the Manager, until May 2020.

In August 2019, Navios Acquisition 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 Administrative Services Agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Navios Acquisition in the event the Administrative Services Agreement is terminated on or before December 31, 2024.

For each of the years ended December 31, 2021, 2020 and 2019 the expense arising from administrative services rendered by the Manager amounted to $14,210, $13,075 and $11,101, respectively, and is presented under the caption "General and administrative expenses" in the consolidated statements of operations.

Balance due from/(to) related parties: Balance due from related parties, long-term as of December 31, 2021, was $14,223 (December 31, 2020: $14,658) and the balance due to related parties was $25,910 as of December 31, 2021 (December 31, 2020: $30,082). The balances mainly consisted of administrative fees, 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 Agreement.

Omnibus Agreements

Acquisition Omnibus Agreement: Navios Acquisition entered into an omnibus agreement (the "Acquisition Omnibus Agreement") with Navios Holdings and Navios Partners in connection with the closing of Navios Acquisition's initial vessel acquisition, pursuant to which, among other things, Navios Holdings and Navios Partners agreed not to acquire, charter-in or own liquid shipment vessels, except for container vessels and vessels that are primarily employed in operations in South America without the consent of an independent committee of Navios Acquisition. In addition, Navios Acquisition, under the Acquisition Omnibus Agreement, agreed to cause its subsidiaries not to acquire, own, operate or charter-in drybulk carriers under specific exceptions. Under the Acquisition Omnibus Agreement, Navios Acquisition and its subsidiaries grant to Navios Holdings and Navios Partners a right of first offer on any proposed sale, transfer or other disposition of any of its drybulk carriers and related charters owned or acquired by Navios Acquisition. Likewise, Navios Holdings and Navios Partners agreed to grant a similar right of first offer to Navios Acquisition for any liquid shipment vessels they might own. These rights of first offer will not apply to a: (a) sale, transfer or other disposition of vessels between any affiliated subsidiaries, or pursuant to the existing terms of any charter or other agreement with a counterparty; or (b) merger with or into, or sale of substantially all of the assets to, an unaffiliated third party.

Midstream Omnibus Agreement: Navios Acquisition entered into an omnibus agreement (the "Midstream Omnibus Agreement"), with Navios Midstream, Navios Holdings and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Midstream, Navios Holdings, Navios Partners and their controlled affiliates generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, liquefied petroleum gas ("LPG") tankers or chemical tankers under time charters of five or more years without the consent of the Navios Midstream General Partner. The Midstream Omnibus Agreement contains significant exceptions that have allowed Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliates to compete with Navios Midstream under specified circumstances.

Under the Midstream Omnibus Agreement, Navios Midstream and its subsidiaries have granted to Navios Acquisition a right of first offer on any proposed sale, transfer or other disposition of any of its VLCCs or any crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers and related charters owned or acquired by Navios Midstream. Likewise, Navios Acquisition have agreed (and will cause its subsidiaries to agree) to grant a similar right of first offer to Navios Midstream for any of the VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under charter for five 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.

Navios Containers Omnibus Agreement: In connection with the Navios Maritime Containers Inc. ("Navios Containers Inc.") private placement and listing on the Norwegian over-the-counter market effective June 8, 2017, Navios Acquisition entered into an omnibus agreement with Navios Containers Inc., Navios Midstream, Navios Holdings and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and Navios Midstream have granted to Navios Containers Inc. (which includes its successors, namely Navios Maritime Containers LP and Navios Containers) a right of first refusal over any container vessels to be sold or acquired in the future. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners and Navios Midstream to compete with Navios Containers Inc. under specified circumstances.

Navios Midstream General Partner Option Agreement with Navios Holdings: Navios Acquisition entered into an option agreement, dated November 18, 2014, with Navios Holdings under which Navios Acquisition grants Navios Holdings the option to acquire any or all of the outstanding membership interests in Navios Midstream General Partner and all of the incentive distribution rights in Navios Midstream representing the right to receive an increasing percentage of the quarterly distributions when certain conditions are met. The option shall expire on November 18, 2024. Any such exercise shall relate to not less than twenty-five percent of the option interest and the purchase price for the acquisition of all or part of the option interest shall be an amount equal to its fair market value.

Loan payable to related company: On March 19, 2021, Navios Acquisition entered into a secured loan agreement with a subsidiary of N Shipmanagement Acquisition Corp. ("NSM"), an entity affiliated with Navios Acquisition's Chairwoman and Chief Executive Officer, for a loan of up to $100,000 to be used for general corporate purposes (the "NSM Loan Agreement"). The Loan was repayable in two years and bore interest at a rate of 11% per annum, payable quarterly. Navios Acquisition had the right to defer all scheduled capital and interest payments, in which case the applicable interest rate would be of 12.5% per annum. By July 1, 2021, the full amount was drawn.

In August 2021, Navios Acquisition entered into a supplemental agreement (the "Supplemental Loan Agreement") to amend the NSM Loan Agreement. The Supplemental Loan Agreement provided for: (i) the issuance of 8,823,529 newly-issued shares of common stock of Navios Acquisition in settlement of $30,000 of the outstanding balance of the NSM Loan; and (ii) the repayment of $35,000 of the outstanding balance of the NSM Loan in cash as of the date of the Supplemental Loan Agreement and the repayment in cash on January 7, 2022 of the remainder of the outstanding balance of the NSM Loan, of approximately $33,112. Upon completion of the NNA Merger, the newly-issued shares of common stock of Navios Acquisition were converted into common units of Navios Partners on the same terms as is applicable to other outstanding shares of common stock of Navios Acquisition.

Following the issuance of 8,823,529 newly-issued shares of common stock of Navios Acquisition in settlement of $30,000 of the outstanding balance of the NSM Loan, the difference between the carrying value of the NSM Loan and the fair value of the issued shares, amounting to $10,853 was recorded under the caption "Gain on loan conversion to common stock", in the consolidated statements of operations.

On December 23, 2021, the outstanding amount of $33,112 was repaid. As of December 31, 2021, there was no outstanding balance of the NSM Loan.

Balance due to parent group companies, short-term: Balance due to parent group companies, short-term as of December 31, 2021 amounted to $25,685 (December 31, 2020: $0).

Loans payable to parent group companies: Loans payable to parent group companies (both short and long term) as of December 31, 2021 amounted to $334,797 (December 31, 2020: $0) and related to amounts due to Navios Partners and its subsidiaries as per below:

Navios Partners Loan Agreement

In connection with the execution of the Merger Agreement, on August 24, 2021, the Company and Navios Partners entered into a loan agreement (the "NMM Loan Agreement") under which Navios Partners agreed to make available to the Company a working capital facility of up to $45,000. As of the date hereof, the full amount of the facility has been drawn. The full amounts borrowed, including accrued and unpaid interest are due and payable on the date that is one year following the date hereof. The facility bears interest at the rate of 11.50% per annum. As of December 31, 2021, the outstanding balance of the NMM Loan amounted to $44,664, net of deferred fees.

Other Loan Agreements

On December 23, 2021, a subsidiary of Navios Partners and Navios Acquisition entered into a loan facility under which Navios Partners agreed to make available to Navios Acquisition a facility of up to $33,112 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the outstanding balance of the facility was $33,112. The facility matures in the third quarter of 2024 and bears interest at the rate of 11.0% per annum.

On December 17, 2021, pursuant to an amendment and restatement in the credit facility with HCOB (see Note 13—Borrowings), Navios Acquisition guarantee was released. A subsidiary of Navios Partners agreed to make available to Navios Acquisition a facility of up to $182,872 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the remaining outstanding balance of the credit facility was $182,872 and is repayable in ten quarterly installments of $7,343 each, and four quarterly installments of $4,518 each, with a final balloon payment of $91,367, to be repaid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at LIBOR plus 295 bps per annum.

On December 17, 2021, Navios Maritime Containers Sub L.P. ("Navios Containers") and Navios Acquisition entered into a loan agreement under which Navios Containers agreed to make available to Navios Acquisition a facility of up to $30,149 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the remaining outstanding balance of the credit facility was $30,149 and is repayable in 15 equal consecutive quarterly installments in the amount of $1,650 each, with a final balloon payment of $5,403 to be repaid on the last repayment date. The facility matures in the third quarter of 2025 and bears interest at LIBOR plus 285 bps per annum.

(Expressed in thousands of U.S. Dollars except share and per share data)

On December 15, 2021, Navios Partners and Navios Acquisition entered into a loan agreement under which Navios Partners agreed to make available to Navios Acquisition a facility of up to $23,700 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the outstanding balance of the facility was $23,700. The facility matures in the third quarter of 2024 and bears interest at the rate of 300 bps per annum.

On December 15, 2021, Navios Partners, Navios Containers and Navios Acquisition entered into a loan agreement under which Navios Containers and Navios Partners agreed to make available to Navios Acquisition a facility of up to $20,300 for general corporate purposes. As of the date hereof, the full amount of the facility has been drawn. As of December 31, 2021, the outstanding balance of the facility was $20,300. The facility matures in the fourth quarter of 2024 and bears interest at LIBOR plus 230 bps per annum.

NOTE 16: COMMITMENTS AND CONTINGENCIES

In September 2018, Navios Acquisition agreed to a 12-year bareboat charter-in agreement with de-escalating purchase options for Baghdad and Erbil, two newbuilding Japanese VLCCs of 313,433 dwt and 313,486 dwt, respectively. On October 28, 2020, Navios Acquisition took delivery of the vessel Baghdad. The average daily rate under bareboat charter-in agreement of the Baghdad amounts to $21. On February 17, 2021, Navios Acquisition took delivery of the vessel Erbil. The average daily rate under bareboat charter-in agreement of the Erbil amounts to $21. As of December 31, 2021, the total amount of $2,685 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 Nave Electron, a newbuilding Japanese VLCC of 313,239 dwt. On August 30, 2021, Navios Acquisition took delivery of the vessel Nave Electron. The average daily rate under bareboat charter-in agreement of the Nave Electron amounts to $21. As of December 31, 2021, the total amount of $1,942 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 a fourth newbuilding Japanese VLCC of approximately 310,000 dwt under a 12-year bareboat charter agreement with de-escalating purchase options and expected delivery in the second half of 2022. As of December 31, 2021, the total amount of $65 is presented under the caption “Other long-term assets” in the Consolidated Balance Sheets.

The future minimum commitments as of December 31, 2021 of Navios Acquisition under its bareboat charter-in agreements are as follows:

	Amount
Lease Obligations (Bareboat Charter-in):	
Year	
2022	28,010
2023	31,974
2024	32,062
2025	31,974
2026	31,910
2027 and thereafter	200,203
Total	**$356,133**

The Company 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 the Company believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date of the financial statements were prepared. In the opinion of the management, the ultimate disposition of these matters individually and in aggregate will not materially affect the Company’s financial position, results of operations or liquidity.

NOTE 17: COMMON STOCK

Equity Offering

In October 2019, Navios Acquisition completed a registered direct offering of 1,875,000 shares of its common stock at $8.00 per share, raising gross proceeds of $15,000. Total net proceeds of the above transactions, net of agents' costs of $675 and offering costs of $957, amounted to $13,368.

Continuous Offering Program

On November 29, 2019, as further updated on December 23, 2019 to provide for Navios Acquisition's replacement of its expiring universal shelf, Navios Acquisition entered into a Continuous Offering Program Sales Agreement, pursuant to which Navios Acquisition could issue and sell from time to time through the sales agent shares of common stock having an aggregate offering price of up to $25,000. The sales were being made pursuant to a prospectus supplement as part of a shelf registration statement which was set to expire in December 2019. Navios Acquisition went effective on a new shelf registration statement which was declared effective on December 23, 2019. Accordingly, an updated Continuous Offering Program Sales Agreement (the "Sales Agreement") was entered into on December 23, 2019. As before, the Sales Agreement contained, among other things, customary representations, warranties and covenants by Navios Acquisition and indemnification obligations of the parties thereto as well as certain termination rights for such parties. As of December 31, 2021, since the commencement of the program, Navios Acquisition had issued 2,132,595 shares of common stock and received net proceeds of $9,212. Following the de-listing of shares of Navios Acquisition the Company is no longer able to make public sales of its stock.

Stock based compensation

During the fiscal year 2020 and 2021, the Company did not authorize and issue any restricted shares of common stock to its directors and officers.

2018

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 holders of restricted common stock are entitled to dividends paid on the same schedule as paid to the common stock-holders of the company. The fair value of restricted stock is determined by reference to the quoted stock price on the date of grant of $5.36 per share (or total fair value of $693). Compensation expense is recognized based on a graded expense model over the vesting period.

The effect of compensation expense arising from the stock-based arrangement described above was $75, $185 and $355 for the years ended December 31, 2021, 2020 and 2019, and is reflected in general and administrative expenses on the consolidated statements of operations. The recognized compensation expense for the year is presented as adjustment to reconcile net (loss)/ income to net cash (used in)/ provided by operating activities on the consolidated statements of cash flows.

There were no restricted stock or stock options exercised, forfeited or expired, that were issued in 2018, during the year ended December 31, 2021.

As of December 31, 2021 and December 31, 2020, the remaining restricted shares that were issued in 2018, were 0 and 63,635, respectively, and had not yet been vested.

As of December 31, 2021, there was no estimated compensation cost relating to service conditions of non-vested restricted stock, not yet recognized.

Following the NNA Merger, the remaining unvested restricted shares were replaced with awards in Navios Partners at an exchanged rate of 1 NNA restricted share to 0.1275 Navios Partners restricted common units.

2017

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 holders of restricted common stock are entitled to dividends paid on the same schedule as paid to the common stock holders of the Company. The fair value of restricted common stock is determined by reference to the quoted stock price on the date of grant of $17.70 per share (or total fair value of $2,094). Compensation expense is recognized based on a graded expense model over the vesting period.

The effect of compensation expense arising from the stock-based arrangement described above was $98, $296 and $554 for the year ended December 31, 2021, 2020 and 2019, respectively, and it is reflected under the caption “General and administrative expenses” on the consolidated statements of operations. The recognized compensation expense for the year is presented as adjustment to reconcile net income/ (loss) to net cash provided by operating activities on the consolidated statements of cash flows.

There were no restricted stock or stock options exercised, forfeited or expired, that were issued in 2017, during the year ended December 31, 2021.

As of December 31, 2021 and December 31, 2020, the remaining restricted shares that were issued in 2017, were 0 and 29,251, respectively, and had not yet been vested.

As of December 31, 2021, there was no estimated compensation cost relating to service conditions of non-vested restricted stock, not yet recognized.

Following the NNA Merger, the remaining unvested restricted shares were replaced with awards in Navios Partners at an exchanged rate of 1 NNA restricted share to 0.1275 Navios Partners restricted common units.

NOTE 18: INCOME TAXES

Marshall Islands, Cayman Islands, British Virgin Islands, and Hong Kong, do not impose a tax on international shipping income. Under the laws of these countries, the countries of incorporation of the Company and its subsidiaries and /or vessels' registration, the companies are subject to registration and tonnage taxes.

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.

The amount included in Navios Acquisition's statements of operations for each of the years ended December 31, 2021, 2020 and 2019, related to the Greek Tonnage tax was $798, $825 and $897, respectively.

Pursuant to Section 883 of the Internal Revenue Code of the United States (the "Code"), 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 Navios Acquisition's ship-operating subsidiaries satisfy these initial criteria. In addition, these companies must meet an ownership test. Subject to proposed regulations becoming finalized in their current form, the management of Navios Acquisition believes by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company like Navios Acquisition, the second criterion can also be satisfied based on the trading volume and ownership of the Company's shares, but no assurance can be given that this will remain so in the future.

NOTE 19: LEASES

Time charter-out, bareboat charter-out contracts and pooling arrangements

The Company's contract revenues from time chartering-out, bareboat chartering-out and pooling arrangements are governed by ASC 842. For further analysis, refer to Note 2—Summary of significant Accounting Policies.

Bareboat charter-in contract

The Company has performed an assessment considering the lease classification criteria under ASC 842 for the vessels Baghdad and Erbil (see Note 16 – Commitments and contingencies) 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 corresponding operating lease asset at an amount equal to the operating lease liability. The agreement includes optional periods, which are not recognized as part of the operating lease asset and the operating lease liability.

Based on management estimates and market conditions, the lease term of this lease 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. As of the date of delivery of the two newbuilding Japanese VLCC vessels, the Baghdad and the Erbil, on October 28, 2020 and February 17, 2021, respectively, Navios Acquisition's incremental borrowing rate was approximately 6%. The average daily rate under bareboat charter-in agreement for each of the Baghdad and the Erbil amounts to $21.

(Expressed in thousands of U.S. Dollars except share and per share data)

On August 30, 2021, Navios Acquisition took delivery of the Nave Electron, a 2021-built VLCC vessel of 313,329 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year and an average daily rate of $21. 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. Navios Acquisition's incremental borrowing rate was approximately 4% for the Nave Electron.

As of December 31, 2021 and December 31, 2020, the unamortized balance of the lease liability amounted to $197,662 and $65,511, respectively, and is presented under "Operating lease liabilities, net of current portion" and "Operating lease liabilities, current portion" in the consolidated balance sheets. Right of use asset amounted to $198,097 and $65,544 as at December 31, 2021 and December 31, 2020, respectively, and is presented under "Operating lease assets" in the consolidated balance sheets.

The Company recognizes in relation to the operating lease for the charter-in agreement the charter-in hire expense in the consolidated statements of operations on a straight-line basis over the lease term. Lease expense for the year ended December 31, 2021 and 2020, amounted to $18,071 and $1,454, respectively, is included in the consolidated statements of operations under the caption "Time charter and voyage expenses".

The table below provides the total amount of lease payments on an undiscounted basis on Company's bareboat chartered-in contracts as of December 31, 2021:

Period		Charter-in vessel in Operation
December 31, 2022	$	23,981
December 31, 2023		23,981
December 31, 2024		24,046
December 31, 2025		23,981
December 31, 2026		23,916
December 31, 2027 and thereafter		142,385
Total	$	**262,290**
Operating lease liabilities, including current portion	$	**197,662**
Discount based on incremental borrowing rate	**$**	**64,628**

Bareboat charter-out contract

Subsequently to the charter-in agreement, the Company entered into charter-out agreements for a firm charter period of 10-years for the vessels Baghdad and Erbil. The agreement includes an optional period of 5 years. The Company performed also an assessment of the lease classification under the ASC 842 and concluded that the arrangements are operating leases.

The Company recognizes in relation to the operating leases for the charter-out agreements the charter-out hire income in the consolidated statements of operations on a straight-line basis. As of December 31, 2021, the charter hire income (net of commissions, if any) amounted to $19,679 and it is included in the consolidated statements of operations under "Revenue".

(Expressed in thousands of U.S. Dollars except share and per share data)

Time charter-out / Bareboat charter-out:

The future minimum contractual lease income (time charter-out / bareboat charter-out rates are presented net of commissions) as of December 31, 2021 is as follows:

Period	Amount
December 31, 2022	133,833
December 31, 2023	63,709
December 31, 2024	59,768
December 31, 2025	45,887
December 31, 2026	29,360
December 31, 2027 and thereafter	80,832
Total minimum lease revenue, net of commissions	**$413,389**

Revenues from time charters are not generally received when a vessel is off-hire, including time required for scheduled maintenance of the vessel.

NOTE 20: SUBSEQUENT EVENTS

The Company has determined that no events occurred after the year ended December 31, 2021 until the issuance of its consolidated financial statements that should be disclosed.