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

FORM 6-K

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

DATED: September 12, 2024

Commission File No. 001-33811

NAVIOS MARITIME PARTNERS L.P.

**7 Avenue de Grande Bretagne, Office 11B2
Monte Carlo, MC 98000 Monaco
(Address of Principal Executive Offices)**

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

Form 20-F

Form 40-F

NAVIOS MARITIME PARTNERS L.P.
FORM 6-K

TABLE OF CONTENTS

	<u>Page</u>
Operating and Financial Review and Prospects	1
Exhibit List	21
INDEX	F-1

This report on Form 6-K is hereby incorporated by reference into the Navios Maritime Partners L.P. Registration Statement on Form F-3, File No. 333-271842.

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations for the three and six month periods ended June 30, 2024 and 2023 of Navios Maritime Partners L.P. (referred to herein as “we”, “us”, “Company” or “Navios Partners”). All of the financial statements have been stated in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). You should read this section together with the consolidated financial statements and the accompanying notes included in Navios Partners’ 2023 annual report filed on Form 20-F on April 3, 2024 (the “Annual Report”) with the U.S. Securities and Exchange Commission (the “SEC”).

This report contains and will contain forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events, TCE rates (as defined herein), and Navios Partners’ expected cash flow generation, future contracted revenues, future distributions and its ability to make distributions going forward, opportunities to reinvest cash accretively in a fleet renewal program or otherwise, potential capital gains, its ability to take advantage of dislocation in the market and Navios Partners’ growth strategy and measures to implement such strategy, including expected vessel acquisitions and entering into further time charters and Navios Partners’ ability to refinance its debt on attractive terms, or at all. Words such as “may,” “expects,” “intends,” “plans,” “believes,” “anticipates,” “hopes,” “estimates,” and variations of such words and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Navios Partners at the time these statements were made. Although Navios Partners believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve risks and are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Partners. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, risks relating to: global and regional economic and political conditions including global economic activity, demand for seaborne transportation of the products we ship, the ability and willingness of charterers to fulfill their obligations to us and prevailing charter rates, the economic condition of the markets in which we operate, shipyards performing scrubber installations, construction of newbuilding vessels, drydocking and repairs, changing vessel crews and availability of financing, potential disruption of shipping routes due to accidents, wars, sanctions, diseases, pandemics, political events, piracy or acts by terrorists; uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles, our continued ability to enter into long-term time charters, our ability to maximize the use of our vessels, expected demand in the dry and liquid cargo shipping sectors in general and the demand for our dry bulk, containerships and tanker vessels in particular, fluctuations in charter rates for dry bulk, containerships and tanker vessels, the aging of our fleet and resultant increases in operations costs, the loss of any customer or charter or vessel, the financial condition of our customers, changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors, fluctuation in interest rates and foreign exchange rates, increases in costs and expenses, including but not limited to: crew, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses, 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, general domestic and international political conditions, competitive factors in the market in which Navios Partners operates; risks associated with operations outside the United States; and other factors listed from time to time in Navios Partners’ filings with the SEC, including its Form 20-F and Form 6-K.

Navios Partners expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Partners' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Partners makes no prediction or statement about the performance of its common units.

Recent Developments

In July 2024, Navios Partners took delivery of the Zim Falcon and the Zim Pelican, two 2024-built 5,300 TEU Containerships from an unrelated third party.

In July and August 2024, Navios Partners agreed to sell two 2009-built MR2 Product Tanker vessels of 50,542 dwt and 50,470 dwt, respectively, a 2005-built Post-Panamax vessel of 87,052 dwt and a 2006-built Kamsarmax vessel of 82,790 dwt, to unrelated third parties, for aggregate gross sale proceeds of \$78.5 million. The sale of the 2005-built Post-Panamax vessel of 87,052 dwt was completed on August 26, 2024 and the sales of the remaining three vessels are expected to be completed during the second half of 2024.

In July and September 2024, Navios Partners acquired from unrelated third parties, the Navios Citrine, a previously chartered-in 2017-built Kamsarmax vessel of 81,626 dwt, the Navios Dolphin, a previously chartered-in 2017-built Kamsarmax vessel of 81,630 dwt and the Navios Amber, a previously chartered-in 2015-built Kamsarmax vessel of 80,994 dwt, for an aggregate purchase price of \$88.0 million.

In August 2024, Navios Partners took delivery of the Nave Polaris, a 2024-built Aframax/LR2 vessel of 115,699 dwt and the Zim Seagull, a 2024-built 5,300 TEU Containership from unrelated third parties.

In August 2024, Navios Partners renewed its management agreements (the "Master Management Agreement") and its administrative services agreement (the "Renewed Administrative Services Agreement," together with the Master Management Agreement, the "Agreements") with Navios Shipmanagement Inc. and its affiliates (the "Manager") which are entities affiliated with the Navios Partners' Chairwoman and Chief Executive Officer commencing January 1, 2025, for a term of ten years, renewing annually. The Conflicts Committee of the Board of Directors, consisting of independent directors, negotiated and approved the Agreements with the advice of Watson Farley & Williams LLP as legal advisor and KPMG Advisors Single Member S.A. (a member firm of the KPMG global organization of independent member firms) as financial advisor. The Renewed Administrative Services Agreement provides for reimbursement of allocable general and administrative costs. The Master Management Agreement provides for technical and commercial management and related specialized services based on fee structure, including: (i) a technical management fee of \$950 per day per owned vessel; (ii) a commercial management fee of 1.25% on revenues; (iii) an S&P fee of 1% on purchase or sales price; and (iv) fees for other specialized services (e.g. supervision of newbuilding vessels). Fixed fees will be adjusted annually for United States Consumer Price Index. The Master Management Agreement also allows for fixed incentive awards if equity returns exceed certain thresholds, as identified in such agreement, upon the unanimous consent of the Board of Directors of Navios Partners. The Agreements provide for payment of a termination fee, which termination fee for the Master Management Agreement is equal to the net present value of the technical and commercial management fees charged for the most recent calendar year for the number of years remaining for the Master Management Agreement, using a 6% discount rate and such termination fee for the Renewed Administrative Services Agreement is equal to the costs charged for the most recent calendar year, each as set forth in the latest audited annual financial statements.

Overview

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

As of September 4, 2024, there were outstanding 29,937,815 common units and 622,296 general partnership units. Angeliki Frangou, our Chief Executive Officer and Chairwoman beneficially owns an approximately 16.8% common interest of the total outstanding common units including 4,672,314 common units held through four entities affiliated with her. An entity affiliated with Angeliki Frangou beneficially owns 622,296 general partnerships units, representing an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units.

In July 2022, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to \$100.0 million of Navios Partners' common units. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Navios Partners' management based upon market conditions and financial and other considerations, including working capital and planned or anticipated growth opportunities. The

program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in the Navios Partners' discretion and without notice. The Board of Directors will review the program periodically. As of September 4, 2024, Navios Partners had repurchased 246,573 common units, for a total cost of approximately \$12.2 million.

Fleet

Navios Partners' fleet consists of 74 dry bulk vessels, 48 containerships and 56 tanker vessels, including 20 newbuilding tankers (14 Aframax/LR2 and six MR2 product tanker chartered-in vessels under bareboat contracts), that are expected to be delivered through the first half of 2028, and seven newbuilding containerships (three 5,300 TEU containerships, two 7,700 TEU containerships and two 7,900 TEU containerships), that are expected to be delivered through 2026. The fleet excludes two MR2 product tankers and one Kamsarmax that have been agreed to be sold.

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

The following table provides summary information about our fleet as of September 5, 2024:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
Navios Vega	Transhipper	2009	57,573	\$ 25,800	No	Jan-29
Navios Christine B	Ultra-Handymax	2009	58,058	—	99.0% average BSI 58 10TC	Oct-24
Navios Celestial	Ultra-Handymax	2009	58,063	—	100% average BSI 58 10TC	Apr-25
Navios La Paix	Ultra-Handymax	2014	61,485	—	111.0% average BSI 58 10TC	Apr-26
N Amalthia	Panamax	2006	75,318	—	90.0% average BPI 82	Apr-25
Navios Hope	Panamax	2005	75,397	—	100.0% average BPI 82 less \$1,283	Mar-25
Navios Sagittarius ⁽⁵⁾	Panamax	2006	75,756	—	100.0% average BPI 82 less \$1,286	Nov-24
Navios Taurus	Panamax	2005	76,596	\$ 9,975	No	Sep-24
				\$ 10,450	No	Oct-24
Navios Galileo	Panamax	2006	76,596	\$ 13,775	No	Dec-24
Navios Sun	Panamax	2005	76,619	—	100.0% average BPI 82 less \$1,286	Dec-24
Navios Asteriks ⁽²³⁾	Panamax	2005	76,801	—	100.0% average BPI 82 less \$1,286	Oct-24
Navios Helios	Panamax	2005	77,075	—	100.0% average BPI 82 less \$1,283	Jun-25
Navios Victory	Panamax	2014	77,095	—	96.0% average BPI 82	Dec-25
Unity N	Panamax	2011	79,642	—	89.0% average BPI 82	Dec-25
Odysseus N	Panamax	2011	79,642	\$ 14,250	No	Sep-24
				—	90.0% average BPI 82	Jul-25
Rainbow N	Panamax	2011	79,642	\$ 13,775	No	Nov-24
Navios Avior	Kamsarmax	2012	81,355	—	100.0% average BPI 82	Jan-25
Navios Centaurus	Kamsarmax	2012	81,472	—	101.0% average BPI 82	Nov-24
Navios Amber	Kamsarmax	2015	80,994	\$ 17,290	No	Apr-26
Navios Horizon I ⁽²³⁾	Kamsarmax	2019	81,692	\$ 18,786	No	Sep-24
				—	110.0% average BPI 82	Apr-25
Navios Galaxy II ⁽⁶⁾	Kamsarmax	2020	81,789	\$ 18,421	No	Sep-24
				—	112.5% average BPI 82	Dec-24
Navios Uranus ⁽⁶⁾	Kamsarmax	2019	81,821	\$ 18,806	No	Sep-24
				—	112.0% average BPI 82	Apr-26
Navios Felicity I ⁽⁶⁾	Kamsarmax	2020	81,962	\$ 18,699	No	Sep-24
				\$ 18,425	No	Dec-24
				—	114.0% average BPI 82	Jan-25
Navios Primavera ⁽⁵⁾	Kamsarmax	2022	82,003	—	115.0% average BPI 82	Nov-24
Navios Meridian ⁽⁵⁾	Kamsarmax	2023	82,010	\$ 17,650	No	Sep-24
				—	115.5% average BPI 82	Nov-24
Navios Herakles I ⁽⁶⁾	Kamsarmax	2019	82,036	\$ 19,016	No	Sep-24
				—	113.5% average BPI 82	Nov-24
Navios Magellan II ⁽⁶⁾	Kamsarmax	2020	82,037	\$ 17,934	No	Sep-24
				—	112.0% average BPI 82	Nov-24
Navios Sky ⁽⁵⁾	Kamsarmax	2015	82,056	—	105.0 % average BPI 82	Sep-24
Navios Harmony ⁽¹⁵⁾	Kamsarmax	2006	82,790	\$ 15,400	No	Oct-24
Navios Alegria ⁽²³⁾	Kamsarmax	2016	84,852	\$ 14,197	No	Oct-24
Navios Sphera	Kamsarmax	2016	84,872	\$ 18,831	No	Sep-24
				—	110.0% of average BPI 82	Oct-25
Navios Coral	Kamsarmax	2016	84,904	\$ 19,096	No	Sep-24
				—	110.0% average BPI 82	Nov-24
Navios Citrine	Kamsarmax	2017	81,626	—	110.0% average BPI 82	Nov-24
Navios Dolphin	Kamsarmax	2017	81,630	\$ 14,013	No	Jan-25
				\$ 15,200	No	Dec-25

Copernicus N	Post-Panamax	2010	93,062	\$ 12,208	No	Sep-24
Navios Stellar ⁽⁵⁾	Capesize	2009	169,001	—	97.0% average BCI 5TC	Jun-26
Navios Aurora II	Capesize	2009	169,031	—	99.0% average BCI 5TC	Jan-25
Navios Antares ⁽⁵⁾	Capesize	2010	169,059	—	100.0% average BCI 5TC	Feb-25
Navios Symphony	Capesize	2010	178,132	—	102.75% average BCI 5TC	Apr-26
Navios Ace ⁽⁵⁾	Capesize	2011	179,016	\$ 25,472	No	Sep-24
				—	107.25% average BCI 5TC	Feb-25
Navios Melodia	Capesize	2010	179,132	—	104.0% average BCI 5TC	Apr-26
Navios Luz	Capesize	2010	179,144	—	105.5% average BCI 5TC	Oct-25
Navios Altamira	Capesize	2011	179,165	\$ 25,514	No	Sep-24
				—	107.0% average BCI 5TC	Mar-25
Navios Azimuth ⁽²³⁾	Capesize	2011	179,169	\$ 24,115	No	Sep-24
				—	105.0% average BCI 5TC	Feb-25
Navios Etoile	Capesize	2010	179,234	\$ 23,940	No	Sep-24
				—	105.0% average BCI 5TC	Feb-25
Navios Buena Ventura	Capesize	2010	179,259	\$ 23,342	No	Dec-24
				—	105.0% average BCI 5TC	Feb-25
Navios Bonheur	Capesize	2010	179,259	—	104.0% average BCI 5TC	Jan-25
Navios Fulvia	Capesize	2010	179,263	\$ 26,184	No	Sep-24
				—	105.0% average BCI 5TC	Feb-25
Navios Aster	Capesize	2010	179,314	\$ 23,495	No	Dec-24
Navios Ray ⁽⁵⁾	Capesize	2012	179,515	\$ 24,040	No	Sep-24
				\$ 27,731	No	Dec-24
				—	105.0% average BCI 5TC	Jan-25
Navios Happiness	Capesize	2009	180,022	\$ 22,626	No	Dec-24
				—	109.0% average BCI 5TC	Apr-25
Navios Bonavis ⁽⁵⁾	Capesize	2009	180,022	—	103.0% average BCI 5TC	Apr-26
Navios Phoenix ⁽⁵⁾	Capesize	2009	180,242	\$ 22,765	No	Dec-24
				—	100.0% average BCI 5TC + \$1,905 per day	Aug-26
Navios Fantastiks ⁽⁵⁾	Capesize	2005	180,265	\$ 17,575	No	Jun-26
Navios Sol ⁽⁵⁾	Capesize	2009	180,274	—	108.0% average BCI 5TC	Jun-26
Navios Canary ⁽²³⁾	Capesize	2015	180,528	\$ 29,213	No	Sep-24
				—	125.0% average BCI 5TC	Jan-25
Navios Lumen ⁽⁵⁾	Capesize	2009	180,661	\$ 26,031	No	Sep-24
				\$ 28,397	No	Dec-24
				—	106.0% average BCI 5TC	Jul-26
Navios Pollux ⁽⁵⁾	Capesize	2009	180,727	—	102.5% average BCI 5TC	Apr-25
Navios Felix ⁽²³⁾	Capesize	2016	181,221	\$ 28,500 ⁽²⁰⁾	No	Jan-27
Navios Corali ⁽²³⁾	Capesize	2015	181,249	\$ 21,779	No	Dec-24
Navios Mars	Capesize	2016	181,259	\$ 30,278	No	Dec-24
				—	128.0% average BCI 5TC	Feb-25
Navios Gem	Capesize	2014	181,336	\$ 31,634	No	Dec-24
				—	125.0% average BCI 5TC	Apr-26
Navios Joy	Capesize	2013	181,389	—	Freight Voyages	Aug-25
Navios Koyo	Capesize	2011	181,415	\$ 28,500	No	Dec-24
				—	118.0% average BCI 5TC	Jan-26
Navios Azalea ⁽⁶⁾	Capesize	2022	182,064	\$ 19,950	No	Nov-27
Navios Armonia ⁽⁶⁾	Capesize	2022	182,079	\$ 20,750	No	Sep-27
Navios Altair ⁽⁶⁾	Capesize	2023	182,115	\$ 19,600	No	Nov-27
Navios Sakura ⁽⁶⁾	Capesize	2023	182,169	\$ 19,550	No	Mar-28
Navios Amethyst ⁽⁶⁾	Capesize	2023	182,212	\$ 19,550	No	Feb-28
Navios Astra ⁽¹⁴⁾	Capesize	2022	182,393	\$ 21,000	No	Aug-27

Owned Containerships	Capacity (TEU)	Built	Charter-Out Rate⁽¹⁾	Index⁽²⁾	Expiration Date⁽³⁾
Spectrum N	2,546	2009	\$ 36,538	No	Mar-25
Protostar N	2,741	2007	\$ 11,700	No	Aug-25
Fleur N	2,782	2012	\$ 19,009	No	May-26
Ete N	2,782	2012	\$ 19,009	No	May-26
Navios Summer ⁽⁵⁾	3,450	2006	\$ 30,320	No	May-25
			\$ 20,845	No	May-26
			\$ 34,110	No	Jul-26
Navios Verano ⁽⁵⁾	3,450	2006	\$ 18,818	No	Apr-26
Matson Lanai ⁽⁵⁾	4,250	2007	\$ 55,794	No	Jul-25
Navios Verde ⁽⁵⁾	4,250	2007	\$ 21,725	No	Apr-25
Navios Amarillo ⁽⁵⁾	4,250	2007	\$ 63,956	No	Jan-25
			\$ 28,425	No	Jan-26
			\$ 9,475	No	Jan-28
Navios Vermilion ⁽⁵⁾	4,250	2007	\$ 23,972	No	Nov-24
			\$ 28,763	No	Mar-27
Navios Azure	4,250	2007	\$ 20,748	No	Apr-26
Navios Indigo ⁽⁵⁾	4,250	2007	\$ 34,125	No	Apr-25
			\$ 24,375	No	Apr-26
			\$ 41,438	No	Aug-26
Navios Domino ⁽⁵⁾	4,250	2008	\$ 23,453	No	Sep-25
Matson Oahu ⁽⁵⁾	4,250	2008	\$ 19,701	No	Oct-24
Navios Tempo	4,250	2009	\$ 44,438	No	Sep-25
Navios Destiny ⁽⁵⁾	4,250	2009	\$ 23,972	No	Oct-24
			\$ 28,763	No	Feb-27
Navios Devotion ⁽⁵⁾	4,250	2009	\$ 34,125	No	Mar-25
			\$ 24,375	No	Mar-26
			\$ 41,438	No	Jul-26
Navios Lapis	4,250	2009	\$ 25,000	No	Jun-26
Navios Dorado	4,250	2010	\$ 21,676	No	Sep-24
			\$ 24,441	No	May-26
Carmel I	4,360	2010	\$ 32,689	No	Apr-25
			\$ 23,214	No	Apr-26
			\$ 39,795	No	Jun-26
Zim Baltimore	4,360	2010	\$ 34,125	No	Jan-25
			\$ 24,375	No	Jan-26
			\$ 41,438	No	May-26
Navios Bahamas	4,360	2010	\$ 48,000	No	Apr-25
			\$ 22,500	No	Jun-27
Navios Miami	4,563	2009	\$ 23,972	No	Oct-24
			\$ 28,763	No	Feb-27
Navios Magnolia	4,730	2008	\$ 23,972	No	Oct-24
			\$ 28,763	No	Feb-26
Navios Jasmine	4,730	2008	\$ 48,000	No	Mar-25
			\$ 22,500	No	May-27
Navios Chrysalis	4,730	2008	\$ 23,453	No	Jun-25
Navios Nerine	4,730	2008	\$ 23,972	No	Sep-24
			\$ 28,763	No	Aug-26
Sparrow	5,300	2023	\$ 42,900	No	Nov-24
			\$ 39,000	No	Nov-25
			\$ 37,050	No	Nov-26
			\$ 35,100	No	Nov-27
			\$ 31,200	No	Nov-28
			\$ 37,050	No	Jan-29
Zim Eagle	5,300	2024	\$ 42,900	No	Jan-25
			\$ 39,000	No	Jan-26
			\$ 37,050	No	Jan-27
			\$ 35,100	No	Jan-28
			\$ 31,200	No	Jan-29

			\$	37,050	No	Mar-29
Zim Condor	5,300	2024	\$	42,900	No	Apr-25
			\$	39,000	No	Apr-26
			\$	37,050	No	Apr-27
			\$	35,100	No	Apr-28
			\$	31,200	No	Apr-29
			\$	37,050	No	Jun-29
Zim Hawk	5,300	2024	\$	42,900	No	Jun-25
			\$	39,000	No	Jun-26
			\$	37,050	No	Jun-27
			\$	35,100	No	Jun-28
			\$	31,200	No	Jun-29
			\$	37,050	No	Aug-29
Zim Falcon	5,300	2024	\$	42,900	No	Jul-25
			\$	39,000	No	Jul-26
			\$	37,050	No	Jul-27
			\$	35,100	No	Jul-28
			\$	31,200	No	Jul-29
			\$	37,050	No	Sep-29
Zim Pelican	5,300	2024	\$	42,900	No	Jul-25
			\$	39,000	No	Jul-26
			\$	37,050	No	Jul-27
			\$	35,100	No	Jul-28
			\$	31,200	No	Jul-29
			\$	37,050	No	Sep-29
Zim Seagull ⁽²³⁾	5,300	2024	\$	42,900	No	Aug-25
			\$	39,000	No	Aug-26
			\$	37,050	No	Aug-27
			\$	35,100	No	Aug-28
			\$	31,200	No	Aug-29
			\$	37,050	No	Oct-29
Hyundai Shanghai	6,800	2006	\$	21,083	No	Aug-29
Hyundai Tokyo	6,800	2006	\$	21,083	No	Dec-28
Hyundai Hongkong	6,800	2006	\$	21,083	No	Dec-28
Hyundai Singapore	6,800	2006	\$	21,083	No	Dec-28
Hyundai Busan	6,800	2006	\$	21,083	No	Aug-29
Navios Unison ⁽⁵⁾	10,000	2010	\$	26,276	No	Jun-26
Navios Constellation ⁽⁵⁾	10,000	2011	\$	26,276	No	Jun-26

Owned Tanker Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Profit Sharing Arrangements	Expiration Date ⁽³⁾
Hector N	MR1 Product Tanker	2008	38,402	\$ 20,738	No	Dec-25
Nave Aquila ⁽⁵⁾	MR2 Product Tanker	2012	49,991	\$ 27,156	No	Aug-26
Nave Atria ⁽⁵⁾	MR2 Product Tanker	2012	49,992	\$ 14,887	No	Mar-25
Nave Capella	MR2 Product Tanker	2013	49,995	\$ 22,138	No	Jan-25
Nave Alderamin	MR2 Product Tanker	2013	49,998	\$ 22,138	No	Nov-24
Nave Pyxis	MR2 Product Tanker	2014	49,998	\$ 25,891	No	Jan-25
Nave Bellatrix ⁽⁵⁾	MR2 Product Tanker	2013	49,999	\$ 19,750	No	Aug-25
Nave Orion ⁽⁵⁾	MR2 Product Tanker	2013	49,999	\$ 22,138	No	Dec-24
Nave Titan	MR2 Product Tanker	2013	49,999	\$ 25,891	No	Feb-25
Nave Luminosity	MR2 Product Tanker	2014	49,999	\$ 23,004 ⁽¹⁰⁾	No	Dec-25
Nave Jupiter	MR2 Product Tanker	2014	49,999	\$ 21,231	No	Oct-28
Nave Velocity	MR2 Product Tanker	2015	49,999	\$ 15,553 ⁽¹¹⁾	No	Oct-24
Nave Sextans	MR2 Product Tanker	2015	49,999	\$ 23,196 ⁽¹⁰⁾	No	May-26
Nave Equinox	MR2 Product Tanker	2007	50,922	\$ 20,392 ⁽⁸⁾	No	Dec-24
Nave Pulsar	MR2 Product Tanker	2007	50,922	\$ 21,231 ⁽⁸⁾	No	Sep-25
Nave Orbit ⁽¹⁵⁾	MR2 Product Tanker	2009	50,470	\$ 15,306	No	Oct-24
Nave Equator ⁽¹⁵⁾	MR2 Product Tanker	2009	50,542	Freight Voyage	No	Sep-24
Bougainville	MR2 Product Tanker	2013	50,626	\$ 21,800 ⁽⁷⁾	No	Oct-26
Nave Cetus	LR1 Product Tanker	2012	74,581	\$ 32,094 ⁽¹²⁾	No	Jul-25
Nave Ariadne	LR1 Product Tanker	2007	74,671	Floating Rate	No	Dec-24
Nave Cielo	LR1 Product Tanker	2007	74,671	\$ 28,144	No	Sep-25
Nave Rigel	LR1 Product Tanker	2013	74,673	\$ 27,008	No	Mar-29
Nave Atropos	LR1 Product Tanker	2013	74,695	\$ 21,971	No	Oct-24
				\$ 27,650	No	Apr-25
Nave Cassiopeia	LR1 Product Tanker	2012	74,711	\$ 33,150 ⁽¹³⁾	No	Jan-25
Nave Andromeda	LR1 Product Tanker	2011	75,000	\$ 28,394	No	Mar-25
Nave Estella	LR1 Product Tanker	2012	75,000	\$ 28,394	No	Dec-24
Nave Cosmos ⁽²³⁾	Aframax / LR2	2024	115,651	\$ 26,366 ⁽²¹⁾	No	May-29
Nave Polaris ⁽⁵⁾	Aframax / LR2	2024	115,699	\$ 26,366 ⁽²¹⁾	No	Aug-29
Nave Constellation	VLCC	2010	296,988	Floating Rate ⁽¹²⁾	No	Dec-24
Nave Universe	VLCC	2011	297,066	Scheduled Repairs	—	Sep-24
				\$ 45,672	No	May-26
Nave Galactic	VLCC	2009	297,168	Scheduled Repairs ⁽¹²⁾	—	—
Nave Quasar	VLCC	2010	297,376	Floating Rate	No	Dec-24
Nave Buena Suerte	VLCC	2011	297,491	\$ 47,906	Yes ⁽¹⁶⁾	Jun-25
Nave Synergy	VLCC	2010	299,973	Scheduled Repairs	—	—

Bareboat-in Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
Navios Star	Kamsarmax	2021	81,994	—	112.0% average BPI 82	Apr-25
Navios Amitie	Kamsarmax	2021	82,002	\$ 19,443	No	Sep-24
				\$ 18,688	No	Dec-24
				—	112% of average BPI 82	Apr-25
Navios Libra	Kamsarmax	2019	82,011	Scheduled Repairs	—	—
Nave Electron	VLCC	2021	313,239	\$ 47,906	Yes ⁽¹⁶⁾	Jan-26
Nave Celeste ⁽²⁴⁾	VLCC	2022	313,418	Floating rate	Yes ⁽⁴⁾	Jul-29
Baghdad ⁽²⁴⁾	VLCC	2020	313,433	\$ 27,816 ⁽¹⁷⁾	No	Sep-30
Erbil ⁽²⁴⁾	VLCC	2021	313,486	\$ 27,816 ⁽¹⁷⁾	No	Feb-31

Chartered-in Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
Navios Venus ⁽¹⁹⁾	Ultra-Handymax	2015	61,339	—	111.0% average BSI 58 10TC	Nov-24
Navios Gemini	Kamsarmax	2018	81,704	\$ 15,881	No	Nov-24

Containerships to be Delivered	Expected Delivery	Capacity (TEU)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
TBN I ⁽²³⁾	H2 2024	5,300	\$ 42,900	No	Nov-25
			\$ 39,000	No	Nov-26
			\$ 37,050	No	Nov-27
			\$ 35,100	No	Nov-28
			\$ 31,200	No	Nov-29
			\$ 37,050	No	Jan-30
TBN II ⁽⁵⁾	H2 2024	5,300	\$ 37,500	No	Mar-30
TBN III ⁽⁵⁾	H2 2024	5,300	\$ 37,500	No	Apr-30
TBN VIII	H2 2024	7,700	\$ 57,213	No	Dec-27
			\$ 52,238	No	Dec-30
			\$ 37,313	No	Dec-32
			\$ 27,363	No	Dec-34
			\$ 24,875 ⁽²²⁾	No	Dec-36
TBN IX	H1 2025	7,700	\$ 57,213	No	Jan-28
			\$ 52,238	No	Jan-31
			\$ 37,313	No	Jan-33
			\$ 27,363	No	Jan-35
			\$ 24,875 ⁽²²⁾	No	Jan-37
TBN XXII	H2 2026	7,900	\$ 43,000 ⁽²⁵⁾	No	Jul-30
TBN XXIII	H2 2026	7,900	\$ 43,000 ⁽²⁵⁾	No	Oct-30

Tanker Vessels to be Delivered	Type	Expected Delivery	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Expiration Date ⁽³⁾
TBN IV ⁽²³⁾	Aframax / LR2	H2 2024	115,000	\$ 25,576 ⁽²¹⁾	Oct-29
TBN V ⁽⁵⁾	Aframax / LR2	H2 2024	115,000	\$ 25,576 ⁽²¹⁾	Dec-29
TBN VI ⁽⁵⁾	Aframax / LR2	H1 2025	115,000	\$ 27,798 ⁽²¹⁾	Mar-30
TBN VII	Aframax / LR2	H1 2025	115,000	\$ 27,798 ⁽²¹⁾	Jun-30
TBN XVI	Aframax / LR2	H1 2026	115,000	\$ 27,788 ⁽⁹⁾	Mar-31
TBN XVII	Aframax / LR2	H1 2026	115,000	\$ 27,788 ⁽⁹⁾	May-31
TBN XVIII	Aframax / LR2	H1 2026	115,000	\$ 27,776 ⁽¹⁸⁾	Mar-31
TBN XIX	Aframax / LR2	H2 2026	115,000	\$ 27,776 ⁽¹⁸⁾	Jun-31
TBN XX	Aframax / LR2	H1 2027	115,000	\$ 28,275 ⁽²⁶⁾	May-32
TBN XXI	Aframax / LR2	H2 2027	115,000	\$ 28,275 ⁽²⁶⁾	Oct-32
TBN XXIV	Aframax / LR2	H2 2027	115,000	\$ 27,776 ⁽¹⁸⁾	May-32
TBN XXV	Aframax / LR2	H2 2027	115,000	\$ 27,776 ⁽¹⁸⁾	Sep-32
TBN XXVI	Aframax / LR2	H1 2028	115,000	\$ 28,144 ⁽²⁷⁾	Mar-33
TBN XXVII	Aframax / LR2	H1 2028	115,000	\$ 28,144 ⁽²⁷⁾	Apr-33
TBN X ⁽⁶⁾	MR2 Product Tanker	H2 2025	52,000	\$ 22,959	Nov-30
TBN XI ⁽⁶⁾	MR2 Product Tanker	H1 2026	52,000	\$ 22,959	May-31
TBN XII ⁽⁶⁾	MR2 Product Tanker	H2 2026	52,000	—	—
TBN XIII ⁽⁶⁾	MR2 Product Tanker	H2 2026	52,000	—	—
TBN XIV ⁽⁶⁾	MR2 Product Tanker	H1 2027	52,000	—	—
TBN XV ⁽⁶⁾	MR2 Product Tanker	H1 2027	52,000	—	—

- (1) Daily charter-out rate per day, net of commissions.
- (2) Index rates exclude commissions.
- (3) Estimated dates assuming the midpoint or Company's estimate of the redelivery period by charterers.
- (4) Bareboat charter based on adjusted TD3C-WS with floor \$26,730 and collar at \$36,630.

- (5) The vessel is subject to a sale and leaseback transaction with a purchase obligation at the end of the lease term.
- (6) The vessel is subject to a bareboat contract with a purchase option at the end of the contract.
- (7) Charterer's option to extend charter for one year at \$24,900 net per day.
- (8) The premium for when the vessel is trading on ice or follow ice breaker is \$1,481 per day.
- (9) Charterer's option to extend the charter for one year at \$29,738 net per day plus one year at \$31,200 net per day.
- (10) Charterer's option to extend the charter for one year at \$27,913 net per day.
- (11) Charterer's option to extend the charter for one year at \$16,540 net per day plus one year at \$17,528 net per day.
- (12) Rate based on pool earnings.
- (13) Charterer's option to extend the charter for one year at \$40,950 net per day.
- (14) The vessel is subject to a bareboat contract with a purchase obligation at the end of the contract.
- (15) Vessel has been agreed to be sold.
- (16) Profit sharing arrangement of 35% above \$54,388, 40% above \$59,388 and 50% above \$69,388.
- (17) Charterer's option to extend the bareboat charter for five years at \$29,751 net per day.
- (18) Charterer's option to extend the charter for one year at \$29,628 net per day plus one year at \$31,578 net per day.
- (19) The vessel is subject to a charter-in agreement with a purchase option at the end of the agreement, classified as a finance lease. Option to acquire the vessel has been declared.
- (20) Charterer's option to extend the charter for a minimum of 11 to a maximum of 15 months at \$33,250 net per day.
- (21) Charterer has the option to extend for five further one-year options at rates increasing by \$1,234 net per day each year.
- (22) Charterer's option to extend charter for two years at \$24,875 net per day.
- (23) The vessel is subject to a sale and leaseback transaction with a purchase option at the end of the lease term.
- (24) The vessel is subject to a bareboat charter-out contract.
- (25) Charterer's option to extend charter for two years at \$47,500 net per day.
- (26) Charterer's option for a firm period of five years at \$28,275 net per day or three years at \$34,613 net per day, declarable six months prior to the vessels' delivery.
- (27) Charterer's option for a firm period of five years at \$28,144 net per day or three years at \$35,056 net per day, declarable six months prior to the vessels' delivery.

Our Charters

We provide seaborne shipping services under short, medium, and long-term time charters, bareboat charters and voyage charters with customers that we believe are creditworthy. For each of the six month periods ended June 30, 2024 and 2023, no customer accounted for 10.0% or more of our total revenues.

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

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

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

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures a consistent stream of revenue to the vessel owner. 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. Please read the section entitled “Risk Factors” in our Annual Report for a discussion of certain risks inherent in our business.

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.

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. Please read “Risk Factors” in our Annual Report for a discussion of certain risks inherent in our business.

Results of Operations

Overview

The following table reflects certain key indicators of Navios Partners’ fleet performance for the three and six month periods ended June 30, 2024 and 2023.

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Available Days ⁽¹⁾	13,498	13,572	27,038	27,480
Operating Days ⁽²⁾	13,306	13,474	26,751	27,223
Fleet Utilization ⁽³⁾	98.6%	99.3%	98.9%	99.1%
Time Charter Equivalent rate (per day) ⁽⁴⁾	\$ 23,384	\$ 23,900	\$ 22,448	\$ 22,337
Vessels operating at end of periods	151	154	151	154

- (1) Available days for the fleet represent total calendar days the vessels were in Navios Partners' possession for the relevant period after subtracting off-hire days associated with scheduled repairs, drydockings or special surveys and ballast days relating to voyages. The shipping industry uses available days to measure the number of days in a relevant period during which a vessel is capable of generating revenues.
- (2) Operating days are the number of available days in the relevant period less the aggregate number of days that the vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a relevant period during which vessels actually generate revenues.
- (3) Fleet utilization is the percentage of time that Navios Partners' vessels were available for generating revenue, and is determined by dividing the number of operating days during a relevant period by the number of available days during that period. The shipping industry uses fleet utilization to measure efficiency in finding employment for vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs, drydockings or special surveys.
- (4) Time Charter Equivalent rate ("TCE rate") per day is defined as voyage, time charter revenues and charter-out revenues under bareboat contracts (grossed up by the applicable fixed vessel operating expenses for the respective periods) less voyage expenses during a period divided by the number of available days during the period. The TCE rate per day is a customary shipping industry performance measure used primarily to present the actual daily earnings generated by vessels on various types of charter contracts for the number of available days of the fleet.

FINANCIAL HIGHLIGHTS

The following table presents consolidated revenue and expense information for the three and six month periods ended June 30, 2024 and 2023.

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
(In thousands of U.S. dollars)				
Time charter and voyage revenues	\$ 342,155	\$ 346,938	\$ 660,710	\$ 656,460
Time charter and voyage expenses	(40,044)	(41,956)	(81,955)	(81,719)
Direct vessel expenses	(18,916)	(17,764)	(36,469)	(32,204)
Vessel operating expenses (entirely through related parties transactions)	(85,271)	(82,550)	(170,193)	(165,766)
General and administrative expenses	(20,584)	(20,536)	(41,328)	(40,035)
Depreciation and amortization of intangible assets	(56,314)	(54,037)	(111,884)	(108,255)
Amortization of unfavorable lease terms	3,171	5,322	6,307	12,910
Gain on sale of vessels, net	7,256	10,151	9,133	43,601
Interest expense and finance cost, net	(30,087)	(33,330)	(59,496)	(68,854)
Interest income	3,596	2,483	6,992	4,100
Other expense, net	(3,493)	(2,413)	(6,987)	(8,765)
Net income	\$ 101,469	\$ 112,308	\$ 174,830	\$ 211,473
EBITDA⁽¹⁾	\$ 197,008	\$ 201,601	\$ 363,163	\$ 390,437
Adjusted EBITDA⁽¹⁾	\$ 189,752	\$ 191,450	\$ 354,030	\$ 346,836
Operating Surplus⁽¹⁾	\$ 91,171	\$ 98,620	\$ 157,785	\$ 164,368

- (1) EBITDA, Adjusted EBITDA and Operating Surplus are non-GAAP financial measures. See "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" for a description of EBITDA, Adjusted EBITDA and Operating Surplus and a reconciliation of EBITDA, Adjusted EBITDA and Operating Surplus to the most comparable measure under U.S. GAAP.

Period over Period Comparisons

For the Three Month Period ended June 30, 2024 compared to the Three Month Period ended June 30, 2023

Time charter and voyage revenues: Time charter and voyage revenues of Navios Partners for the three month period ended June 30, 2024 decreased by \$4.7 million, or 1.4%, to \$342.2 million, as compared to \$346.9 million for the same period in 2023. The decrease in revenue was mainly attributable to the decrease in the available days of our fleet and the decrease in the TCE rate. For the three month periods ended June 30, 2024 and 2023, time charter and voyage revenues were positively affected by \$2.4 million and negatively affected by \$7.5 million, respectively, relating to the straight-line effect of the containership and tanker charters with de-escalating rates. For the three month period ended June 30, 2024, the TCE rate decreased by 2.2% to \$23,384 per day, as compared to \$23,900 per day for the same period in 2023. The available days of the fleet decreased by 0.5% to 13,498 days for the three month period ended June 30, 2024, as compared to 13,572 days for the same period in 2023 mainly due to the sale of vessels, partially mitigated by the deliveries of newbuilding and secondhand vessels.

Time charter and voyage expenses: Time charter and voyage expenses for the three month period ended June 30, 2024 decreased by \$2.0 million to \$40.0 million, as compared to \$42.0 million for the same period in 2023. The decrease was mainly attributable to a: (i) \$6.5 million decrease in bareboat and charter-in hire expense of the dry bulk fleet; (ii) \$1.1 million decrease in bunkers expenses; and (iii) \$0.2 million decrease in brokers' commissions. The decrease was partially mitigated by a: (i) \$5.5 million increase in other voyage expenses; and (ii) \$0.3 million increase in port expenses.

Direct vessel expenses: Direct vessel expenses for the three month period ended June 30, 2024, increased by \$1.1 million to \$18.9 million, as compared to \$17.8 million for the same period in 2023. The increase of \$1.1 million was mainly attributable to the amortization of the deferred drydock and special survey costs due to the increase in the number of vessels that underwent drydocking or special survey.

Vessel operating expenses: Vessel operating expenses for the three month period ended June 30, 2024, increased by \$2.7 million to \$85.3 million, as compared to \$82.6 million for the same period in 2023. The increase was mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with the management agreements (the "Management Agreements"), partially mitigated by the sale of vessels.

General and administrative expenses: General and administrative expenses increased by \$0.1 million to \$20.6 million for the three month period ended June 30, 2024, as compared to \$20.5 million for the same period in 2023.

Depreciation and amortization of intangible assets: Depreciation and amortization of intangible assets amounted to \$56.3 million for the three month period ended June 30, 2024, as compared to \$54.0 million for the same period in 2023. The increase of \$2.3 million was mainly attributable to a: (i) \$2.9 million increase in depreciation expense due to the delivery of nine vessels during the last nine months of 2023 and the first half of 2024; and (ii) \$1.3 million increase in depreciation expense mainly due to vessel improvements. The above increase was partially mitigated by a: (i) \$1.6 million decrease in depreciation expense due to the sale of 11 vessels since the second quarter of 2023; and (ii) \$0.3 million decrease in amortization of favorable lease terms. Depreciation of vessels is calculated using an estimated useful life of 25 years for dry bulk 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 \$3.2 million and \$5.3 million for the three month periods ended June 30, 2024 and 2023, respectively, related to the amortization of the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Maritime Containers L.P. ("Navios Containers").

Gain on sale of vessels, net: Gain on sale of vessels, net amounted to \$7.3 million for the three month period ended June 30, 2024, relating to a \$14.9 million gain on sale of three of our vessels, partially mitigated by a \$7.6 million impairment loss of two of our vessels. Gain on sale of vessels, net amounted to \$10.2 million for the three month period ended June 30, 2023, relating to the sale of four of our vessels.

Interest expense and finance cost, net: Interest expense and finance cost, net for the three month period ended June 30, 2024 decreased by \$3.2 million to \$30.1 million, as compared to \$33.3 million for the same period in 2023. The decrease was mainly due to the increase in interest expense capitalized related to deposits for vessel acquisitions, the decrease in interest expense incurred on credit facilities, financial liabilities and finance lease liabilities. The decrease in weighted average interest rate for the three month period ended June 30, 2024 to 7.1% from 7.4% for the same period in 2023, was partially mitigated by the increase in Navios Partner's weighted average loan balance to \$1,930.2 million for the three month period ended June 30, 2024, as compared to the \$1,899.3 million for the same period in 2023.

Interest income: Interest income amounted to \$3.6 million for the three month period ended June 30, 2024, as compared to \$2.5 million for the same period in 2023, mainly due to the increase of time deposits.

Other expense, net: Other expense, net for the three month period ended June 30, 2024 increased by \$1.1 million to \$3.5 million, as compared to \$2.4 million for the same period in 2023, mainly due to the increase in expenses related to other miscellaneous expenses, net, claims and foreign exchange differences.

Net income: Net income for the three month period ended June 30, 2024 amounted to \$101.5 million as compared to \$112.3 million for the same period in 2023. The decrease in net income of \$10.8 million was due to the factors discussed above.

For the Six Month Period ended June 30, 2024 compared to the Six Month Period ended June 30, 2023

Time charter and voyage revenues: Time charter and voyage revenues of Navios Partners for the six month period ended June 30, 2024 increased by \$4.2 million, or 0.6%, to \$660.7 million, as compared to \$656.5 million for the same period in 2023. The increase in revenue was mainly attributable to the increase in the TCE rate and the increase in revenue from freight voyages. For the six month periods ended June 30, 2024 and 2023, time charter and voyage revenues were positively affected by \$2.5 million and negatively affected by \$20.5 million, respectively, relating to the straight-line effect of the containership and tanker charters with de-escalating rates. For the six month period ended June 30, 2024, the TCE rate increased by 0.5% to \$22,448 per day, as compared to \$22,337 per day for the same period in 2023. The available days of the fleet decreased by 1.6% to 27,038 days for the six month period ended June 30, 2024, as compared to 27,480 days for the same period in 2023 mainly due to the sale of vessels, partially mitigated by the deliveries of newbuilding and secondhand vessels.

Time charter and voyage expenses: Time charter and voyage expenses for the six month period ended June 30, 2024 increased by \$0.3 million to \$82.0 million, as compared to \$81.7 million for the same period in 2023. The increase was mainly attributable to a: (i) \$9.1 million increase in other voyage expenses; (ii) \$2.6 million increase in bunkers expenses arising from the increased days of freight voyages in the first half of 2024; and (iii) \$0.9 million increase in port expenses. The increase was partially mitigated by: (i) an \$11.8 million decrease in bareboat and charter-in hire expense of the dry bulk fleet; and (ii) a \$0.5 million decrease in brokers' commissions.

Direct vessel expenses: Direct vessel expenses for the six month period ended June 30, 2024, increased by \$4.3 million to \$36.5 million, as compared to \$32.2 million for the same period in 2023. The increase of \$4.3 million was mainly attributable to the amortization of the deferred drydock and special survey costs due to the increase in the number of vessels that underwent drydocking or special survey.

Vessel operating expenses: Vessel operating expenses for the six month period ended June 30, 2024, increased by \$4.4 million to \$170.2 million, as compared to \$165.8 million for the same period in 2023. The increase was mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with the Management Agreements, partially mitigated by the sale of vessels.

General and administrative expenses: General and administrative expenses increased by \$1.3 million to \$41.3 million for the six month period ended June 30, 2024, as compared to \$40.0 million for the same period in 2023. The increase was mainly due to a \$1.6 million increase in administrative expenses paid to the Manager as per the administrative services agreement (the "Administrative Services Agreement"); partially mitigated by a \$0.3 million decrease in legal and professional fees, as well as audit fees and other administrative expenses.

Depreciation and amortization of intangible assets: Depreciation and amortization of intangible assets amounted to \$111.9 million for the six month period ended June 30, 2024, as compared to \$108.3 million for the same period in 2023. The increase of \$3.6 million was mainly attributable to a: (i) \$5.5 million increase in depreciation expense due to the delivery of 12 vessels in 2023 and during the first half of 2024; and (ii) \$2.2 million increase in depreciation expense mainly due to vessel improvements. The above increase was partially mitigated by a: (i) \$3.6 million decrease in depreciation expense due to the sale of 19 vessels in 2023 and during the first half of 2024; and (ii) \$0.5 million decrease in amortization of favorable lease terms. Depreciation of vessels is calculated using an estimated useful life of 25 years for dry bulk 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 \$6.3 million and \$12.9 million for the six month periods ended June 30, 2024 and 2023, respectively, related to the amortization of the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Containers and at the date of obtaining control of Navios Maritime Acquisition Corporation.

Gain on sale of vessels, net: Gain on sale of vessels, net amounted to \$9.1 million for the six month period ended June 30, 2024, relating to a \$16.7 million gain on sale of four of our vessels, partially mitigated by a \$7.6 million impairment loss of two of our vessels. Gain on sale of vessels, net amounted to \$43.6 million for the six month period ended June 30, 2023, relating to a gain on sale of 12 of our vessels.

Interest expense and finance cost, net: Interest expense and finance cost, net for the six month period ended June 30, 2024 decreased by \$9.4 million to \$59.5 million, as compared to \$68.9 million for the same period in 2023. The decrease was mainly due to the increase in interest expense capitalized related to deposits for vessel acquisitions, the decrease in the discount effect of long-term assets and the decrease in amortization of finance charges and other finance costs. The decrease in weighted average interest rate for the six month period ended June 30, 2024 to 7.1% from 7.2% for the six month period ended June 30, 2023, was partially mitigated by the increase in Navios Partner's weighted average loan balance to \$1,909.3 million for the six month period ended June 30, 2024, as compared to the \$1,901.9 million for the six month period ended June 30, 2023.

Interest income: Interest income amounted to \$7.0 million for the six month period ended June 30, 2024, as compared to \$4.1 million for the same period in 2023, mainly due to the increase of time deposits.

Other expense, net: Other expense, net for the six month period ended June 30, 2024 decreased by \$1.8 million to \$7.0 million, as compared to \$8.8 million for the same period in 2023, mainly due to the decrease in expenses related to claims and foreign exchange differences, partially mitigated by the increase in other miscellaneous expenses, net.

Net income: Net income for the six month period ended June 30, 2024 amounted to \$174.8 million as compared to \$211.5 million net income for the same period in 2023. The decrease in net income of \$36.7 million was due to the factors discussed above.

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.

Liquidity and Capital Resources

We anticipate that our primary sources of funds for our short-term liquidity needs will consist of cash flows from operations, our equity offerings, proceeds from asset sales, long-term bank borrowings and other debt raisings. In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements including those under our credit facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. As of June 30, 2024, Navios Partners' current assets totaled \$448.8 million, while current liabilities totaled \$650.3 million, resulting in a negative working capital position of \$201.5 million, primarily related to balloon payments totaling \$287.5 million due under its credit facilities, financial liabilities and finance lease liabilities that are expected to be refinanced (see Note 6 – Borrowings to the unaudited condensed consolidated financial statements included elsewhere in this report). Navios Partners' cash forecast indicates that it will generate sufficient cash through its contracted revenue, as of September 5, 2024, of \$3.7 billion and cash proceeds from the sale of vessels (see Note 15 – Subsequent events to the unaudited condensed consolidated financial statements included elsewhere in this report) to make the required principal and interest payments on its indebtedness, to make payments for capital expenditures, provide for the normal working capital requirements of the business for a period of at least 12 months from the date of issuance of our unaudited condensed consolidated financial statements.

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

Cash deposits and cash equivalents in excess of amounts covered by government provided insurance are exposed to loss in the event of non-performance by financial institutions. Navios Partners does maintain cash deposits and cash 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 July 2022, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to \$100.0 million of Navios Partners' common units. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Navios Partners' management based upon market conditions and financial and other considerations, including working capital and planned or anticipated growth opportunities. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in the Navios Partners' discretion and without notice. The Board of Directors will review the program periodically. As of September 4, 2024, Navios Partners had repurchased 246,573 common units, for a total cost of approximately \$12.2 million.

The following table presents cash flow information derived from the unaudited condensed Consolidated Statements of Cash Flows of Navios Partners for the six month periods ended June 30, 2024 and 2023.

	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
(In thousands of U.S. dollars)		
Net cash provided by operating activities	\$ 225,915	\$ 228,343
Net cash (used in)/ provided by investing activities	(293,957)	31,665
Net cash provided by/ (used in) financing activities	98,711	(165,054)
Increase in cash, cash equivalents and restricted cash	\$ 30,669	\$ 94,954

Net cash provided by operating activities for the six month period ended June 30, 2024 as compared to the net cash provided by operating activities for the six month period ended June 30, 2023

Net cash provided by operating activities decreased by \$2.4 million to \$225.9 million for the six month period ended June 30, 2024, as compared to \$228.3 million for the same period in 2023. In determining net cash provided by operating activities, net income is adjusted for the effects of certain non-cash items as discussed below.

The aggregate adjustments to reconcile net income to net cash provided by operating activities were \$122.8 million of non-cash positive net adjustments for the six month period ended June 30, 2024, which consisted mainly of the following adjustments: (i) \$111.9 million depreciation and amortization of intangible assets; (ii) \$30.3 million amortization of deferred drydock and special survey costs; and (iii) \$3.7 million amortization and write-off of deferred finance costs and discount. These adjustments were partially mitigated by: (i) \$9.1 million gain from sale of vessels, net; (ii) \$6.3 million amortization of unfavorable lease terms; (iii) \$5.1 million non-cash amortization of deferred revenue and straight-line effect of the containership and tanker charters with de-escalating rates; and (iv) \$2.6 million amortization of operating lease assets/ liabilities.

The net cash outflow resulting from the change in operating assets and liabilities of \$71.7 million for the six month period ended June 30, 2024 resulted from a: (i) \$38.6 million in payments for drydock and special survey costs; (ii) \$32.0 million decrease in amounts due to related parties; (iii) \$7.1 million decrease in accounts payable; (iv) \$6.0 million decrease in deferred revenue; and (v) \$1.0 million decrease in accrued expenses. This was partially mitigated by a: (i) \$10.1 million decrease in amounts due from related parties (including current and non-current portion); (ii) \$1.6 million decrease in prepaid expenses and other current assets; and (iii) \$1.3 million decrease in accounts receivable.

The aggregate adjustments to reconcile net income to net cash provided by operating activities were \$108.6 million of non-cash positive net adjustments for the six month period ended June 30, 2023, which consisted mainly of the following adjustments: (i) \$108.3 million depreciation and amortization of intangible assets; (ii) \$29.2 million non-cash amortization of deferred revenue and straight-line effect of the containership and tanker charters with de-escalating rates; (iii) \$18.9 million amortization of deferred drydock and special survey costs; (iv) \$5.1 million amortization of operating lease assets/ liabilities; and (v) \$3.6 million amortization and write-off of deferred finance costs and discount. These adjustments were partially mitigated by: (i) \$43.6 million gain from sale of vessels, net; and (ii) \$12.9 million amortization of unfavorable lease terms.

The net cash outflow resulting from the change in operating assets and liabilities of \$91.8 million for the six month period ended June 30, 2023 resulted from: (i) a \$104.7 million decrease in amounts due to related parties; (ii) a \$40.8 million in payments for drydock and special survey costs; (iii) an \$8.0 million decrease in accounts payable; and (iv) a \$1.8 million increase in amounts due from related parties. This was partially mitigated by a: (i) \$43.6 million decrease in accounts receivable; (ii) \$9.2 million decrease in prepaid expenses and other current assets; (iii) \$7.8 million increase in accrued expenses; and (iv) \$2.9 million increase in deferred revenue.

Net cash used in investing activities for the six month period ended June 30, 2024 as compared to the net cash provided by investing activities for the six month period ended June 30, 2023

Net cash used in investing activities for the six month period ended June 30, 2024 amounted to \$294.0 million as compared to \$31.7 million net cash provided by investing activities for the same period in 2023.

Net cash used in investing activities of \$294.0 million for the six month period ended June 30, 2024 was mainly due to: (i) \$211.2 million related to vessels acquisitions and additions; and (ii) \$182.6 million related to deposits for the acquisition/ option to acquire vessels and capitalized expenses. This was partially mitigated by (i) \$91.4 million proceeds related to the sale of four vessels; and (ii) an \$8.4 million decrease in time deposits with original maturities greater than three months.

Net cash provided by investing activities of \$31.7 million for the six month period ended June 30, 2023 was mainly due to \$215.8 million proceeds related to the sale of 12 vessels. This was partially mitigated by: (i) \$113.6 million related to deposits for the acquisition/ option to acquire vessels and capitalized expenses; and (ii) \$70.5 million related to vessels' acquisitions and additions.

Net cash provided by financing activities for the six month period ended June 30, 2024 as compared to net cash used in financing activities for the six month period ended June 30, 2023

Net cash provided by financing activities increased by \$263.8 million to \$98.7 million inflow for the six month period ended June 30, 2024, as compared to \$165.1 million outflow for the same period in 2023.

Net cash provided by financing activities of \$98.7 million for the six month period ended June 30, 2024 was mainly due to \$311.0 million proceeds from the new credit facilities and sale and leaseback agreements. This was partially mitigated by: (i) \$199.2 million repayments of long-term debt and financial liabilities; (ii) \$5.0 million related to the acquisition of treasury units; (iii) \$5.0 million payments of deferred finance costs related to the new credit facilities and financial liabilities; and (iv) \$3.1 million payments for cash distributions.

Net cash used in financing activities of \$165.1 million for the six month period ended June 30, 2023 was mainly due to: (i) \$635.8 million repayments of loans and financial liabilities; (ii) \$12.2 million payments of deferred finance costs related to the new credit facilities and financial liability; and (iii) \$3.1 million payments for cash distributions. This was partially mitigated by \$486.0 million of proceeds from the new credit facilities and sale and leaseback agreement.

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

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
(In thousands of U.S. dollars)				
Net cash provided by operating activities	\$ 131,479	\$ 133,827	\$ 225,915	\$ 228,343
Net increase/ (decrease) in operating assets	25,198	11,166	25,564	(10,193)
Net decrease in operating liabilities	3,122	39,923	46,105	101,946
Net interest cost	26,491	30,847	52,504	64,754
Amortization and write-off of deferred finance cost	(2,033)	(1,587)	(3,709)	(3,618)
Amortization of operating lease assets/liabilities	1,803	(2,588)	2,594	(5,146)
Non-cash amortization of deferred revenue and straight-line	3,692	(20,137)	5,057	(29,248)
Stock-based compensation	—	(1)	—	(2)
Gain on sale of vessels, net	7,256	10,151	9,133	43,601
EBITDA⁽¹⁾	\$ 197,008	\$ 201,601	\$ 363,163	\$ 390,437
Gain on sale of vessels, net	(7,256)	(10,151)	(9,133)	(43,601)
Adjusted EBITDA⁽¹⁾	\$ 189,752	\$ 191,450	\$ 354,030	\$ 346,836
Cash interest income	3,390	2,222	6,180	3,477
Cash interest paid	(35,865)	(38,350)	(67,978)	(72,992)
Maintenance and replacement capital expenditures	(66,106)	(56,702)	(134,447)	(112,953)
Operating Surplus⁽²⁾	\$ 91,171	\$ 98,620	\$ 157,785	\$ 164,368

(1) EBITDA and Adjusted EBITDA

EBITDA represents net income before interest and finance costs, depreciation and amortization (including intangible accelerated amortization) and income taxes. Adjusted EBITDA represents EBITDA excluding certain items, as described in the table above. Navios Partners uses Adjusted EBITDA as a liquidity measure and reconciles EBITDA and Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA in this document is calculated as follows: net cash provided by operating activities adding back, when applicable and as the case may be, the effect of: (i) net increase/ (decrease) in operating assets; (ii) net decrease in operating liabilities; (iii) net interest cost; (iv) amortization and write-off of deferred finance costs and discount; (v) amortization of operating lease assets/ liabilities; (vi) non-cash amortization of deferred revenue and straight-line effect of the containership and tanker charters with de-escalating rates; (vii) stock-based compensation expense; and (viii) gain on sale of vessels, net. 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 three month periods ended June 30, 2024 and 2023 was affected by the item described in the table above. Excluding this item, Adjusted EBITDA decreased by \$1.7 million to \$189.8 million for the three month period ended June 30, 2024, as compared to \$191.5 million for the same period in 2023. The decrease in Adjusted EBITDA was primarily due to a: (i) \$4.7 million decrease in time charter and voyage revenues; (ii) \$2.7 million increase in vessel operating expenses mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with our Management Agreements, partially mitigated by the sale of vessels; (iii) \$1.1 million increase in other expense, net;

and (iv) \$0.1 million increase in general and administrative expenses. The above decrease was partially mitigated by a: (i) \$4.9 million decrease in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); and (ii) \$2.0 million decrease in time charter and voyage expenses.

EBITDA for the six month periods ended June 30, 2024 and 2023 was affected by the item described in the table above. Excluding this item, Adjusted EBITDA increased by \$7.2 million to \$354.0 million for the six month period ended June 30, 2024, as compared to \$346.8 million for the same period in 2023. The increase in Adjusted EBITDA was primarily due to a: (i) \$7.2 million decrease in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); (ii) \$4.2 million increase in time charter and voyage revenues; and (iii) \$1.8 million decrease in other expense, net. The above increase was partially mitigated by a: (i) \$4.4 million increase in vessel operating expenses mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with our Management Agreements, partially mitigated by the sale of vessels; (ii) \$1.3 million increase in general and administrative expenses in accordance with our Administrative Services Agreement; and (iii) \$0.3 million increase in time charter and voyage expenses.

(2) Operating Surplus

Navios Partners generated Operating Surplus for the six month period ended June 30, 2024 of \$157.8 million, as compared to \$164.4 million for the same period ended in 2023. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (See "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" contained herein).

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

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

Capital Expenditures

Navios Partners finances its capital expenditures with cash flows from operations, equity offerings, proceeds from asset sales, long-term bank borrowings and other debt raisings. Capital expenditures for each of the six month periods ended June 30, 2024 and 2023 amounted to \$393.8 million and \$184.1 million, respectively.

Maintenance for our vessels and expenses related to drydocking expenses are reimbursed at cost by Navios Partners to the Manager under the Management Agreements.

Maintenance and Replacement Capital Expenditures Reserve

The reserves for estimated maintenance and replacement capital expenditures for the three and six month periods ended June 30, 2024 were \$66.1 million and \$134.4 million, respectively. We estimate that our annual replacement reserve for the year ending December 31, 2024 will be approximately \$267.4 million, for replacing our vessels at the end of their useful lives. The reserves for estimated maintenance and replacement capital expenditures for the three and six month periods ended June 30, 2023 were \$56.7 million and \$113.0 million, respectively.

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 dry bulk 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.

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 on the common units on any quarter.

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.

See Note 12 – Cash distributions and earnings per unit to the unaudited condensed consolidated financial statements included elsewhere in this report.

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 U.S. dollars 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.

Interest Rate Risk

Interest rates have increased significantly as central banks in Europe, United States and other developed countries have raised interest rates in an effort to reduce the inflation effect. The tighter monetary policy and higher long-term interest rates result in a higher cost of capital for our business.

Borrowings under certain of our credit facilities and financial liabilities bear interest at a rate based on a premium over Secured Overnight Financing Rate (“SOFR”). Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the six month periods ended June 30, 2024 and 2023, we paid interest on our outstanding debt at a weighted average interest rate of 7.1% and 7.2%, respectively. A 1% increase in SOFR would have increased our interest expense for the six month periods ended June 30, 2024 and 2023 by \$6.4 million and \$7.3 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 each of the six month periods ended June 30, 2024 and 2023, no customer accounted for 10.0% or more of our total revenues.

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. For further details, please read “Risk Factors” in our Annual Report.

Recent Accounting Pronouncements

The Company’s recent accounting pronouncements are included in the accompanying notes to the unaudited condensed consolidated financial statements included elsewhere in this report.

Critical Accounting Policies

Our 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. 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. All significant accounting policies are as described in Note 2 – Summary of significant accounting policies to the notes to the consolidated financial statements included in the Company’s Annual Report and in Note 2 – Summary of significant accounting policies included in the accompanying notes to the unaudited condensed consolidated financial statements included elsewhere in this report.

Exhibit List

Exhibit No.	Description
99.1*	Master Management Agreement, between Navios Maritime Partners L.P. and Navios Shipmanagement Inc.
99.2*	Administrative Services Agreement, dated August 16, 2024, between Navios Maritime Partners L.P. and Navios Shipmanagement Inc.
99.3*	Facility Agreement, dated June 26, 2024, among Arkoi Shipping Corporation, Joy Shipping Corporation, Avery Shipping Company, Astypalaia Shipping Corporation, Kinaros Shipping Corporation, Venetiko Shipping Corporation as borrowers and ABN AMRO BANK N.V. as arranger, facility and security agent.

* Filed herewith

INDEX

NAVIOS MARITIME PARTNERS L.P.

	Page
<u>UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2024 AND DECEMBER 31, 2023</u>	F-2
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2024 AND 2023</u>	F-3
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2024 AND 2023</u>	F-4
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2024 AND 2023</u>	F-6
<u>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</u>	F-7

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

	Notes	June 30, 2024 (unaudited)	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 271,989	\$ 240,378
Restricted cash	3	7,855	8,797
Other investments	3	38,543	47,000
Accounts receivable, net		40,889	42,237
Prepaid expenses and other current assets	11	59,710	61,336
Amounts due from related parties	11	29,784	—
Total current assets		448,770	399,748
Vessels, net	4	3,860,441	3,734,671
Deposits for vessels acquisitions	10	513,262	434,134
Other long-term assets	10	66,083	62,111
Deferred drydock and special survey costs, net	11	153,279	145,932
Amounts due from related parties	11	—	39,570
Intangible assets	5	51,352	60,431
Operating lease assets	13	255,847	270,969
Total non-current assets		4,900,264	4,747,818
Total assets		\$ 5,349,034	\$ 5,147,566
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable		\$ 18,363	\$ 25,488
Accrued expenses		22,657	23,608
Deferred revenue		54,734	63,306
Operating lease liabilities, current portion	13	24,925	30,136
Amounts due to related parties	11	—	32,026
Current portion of financial liabilities, net	6	207,302	138,696
Current portion of long-term debt, net	6	322,349	146,340
Total current liabilities		650,330	459,600
Operating lease liabilities, net	13	228,097	240,602
Unfavorable lease terms	5	21,677	27,984
Long-term financial liabilities, net	6	753,531	824,646
Long-term debt, net	6	684,032	751,781
Deferred revenue		61,646	63,915
Other long-term liabilities		12,519	8,586
Total non-current liabilities		1,761,502	1,917,514
Total liabilities		\$ 2,411,832	\$ 2,377,114
Commitments and contingencies	10	—	—
Partners' capital:			
Common Unitholders (30,083,850 and 30,184,388 common units outstanding as of June 30, 2024 and December 31, 2023, respectively)	1, 8	2,887,751	2,724,436
General Partner (622,296 general partnership units outstanding at each of June 30, 2024 and December 31, 2023)	1	49,451	46,016
Total partners' capital		2,937,202	2,770,452
Total liabilities and partners' capital		\$ 5,349,034	\$ 5,147,566

See unaudited notes to the condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

	Notes	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Time charter and voyage revenues	2, 11, 13	\$ 342,155	\$ 346,938	\$ 660,710	\$ 656,460
Time charter and voyage expenses	13	(40,044)	(41,956)	(81,955)	(81,719)
Direct vessel expenses	11	(18,916)	(17,764)	(36,469)	(32,204)
Vessel operating expenses (entirely through related parties transactions)	11	(85,271)	(82,550)	(170,193)	(165,766)
General and administrative expenses	11	(20,584)	(20,536)	(41,328)	(40,035)
Depreciation and amortization of intangible assets	4, 5	(56,314)	(54,037)	(111,884)	(108,255)
Amortization of unfavorable lease terms	5	3,171	5,322	6,307	12,910
Gain on sale of vessels, net	4	7,256	10,151	9,133	43,601
Interest expense and finance cost, net	14	(30,087)	(33,330)	(59,496)	(68,854)
Interest income		3,596	2,483	6,992	4,100
Other expense, net		(3,493)	(2,413)	(6,987)	(8,765)
Net income		\$ 101,469	\$ 112,308	\$ 174,830	\$ 211,473

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Net income	\$ 99,439	\$ 110,062	\$ 171,333	\$ 207,245
Common Unitholders	2,030	2,246	3,497	4,228
General Partner				
Net income	\$ 101,469	\$ 112,308	\$ 174,830	\$ 211,473

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Earnings per unit (see Note 12):				
Earnings per common unit, basic	\$ 3.30	\$ 3.65	\$ 5.68	\$ 6.87
Earnings per common unit, diluted	\$ 3.30	\$ 3.65	\$ 5.68	\$ 6.87

See unaudited notes to the condensed consolidated financial statements

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

	Notes	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
OPERATING ACTIVITIES:			
Net income		\$ 174,830	\$ 211,473
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	4, 5	111,884	108,255
Amortization of unfavorable lease terms	5	(6,307)	(12,910)
Non-cash amortization of deferred revenue and straight line		(5,057)	29,248
Amortization of operating lease assets/ liabilities	13	(2,594)	5,146
Amortization and write-off of deferred finance costs and discount		3,709	3,618
Amortization of deferred drydock and special survey costs		30,252	18,865
Gain on sale of vessels, net	4	(9,133)	(43,601)
Stock-based compensation		—	2
Changes in operating assets and liabilities:			
Decrease in accounts receivable		1,348	43,566
Decrease in prepaid expenses and other current assets		1,628	9,248
Decrease/ (increase) in amounts due from related parties (including current and non-current portion)	11	10,050	(1,765)
Payments for drydock and special survey costs		(38,590)	(40,856)
Decrease in accounts payable		(7,128)	(7,971)
(Decrease)/ increase in accrued expenses		(950)	7,846
(Decrease)/ increase in deferred revenue		(6,021)	2,930
Decrease in amounts due to related parties	11	(32,006)	(104,751)
Net cash provided by operating activities		225,915	228,343
INVESTING ACTIVITIES:			
Net cash proceeds from sale of vessels	4	91,400	215,839
Other investments	3	8,457	—
Deposits for acquisition/ option to acquire vessel	10	(182,627)	(113,600)
Acquisition of/ additions to vessels	4, 11	(211,187)	(70,574)
Net cash (used in)/ provided by investing activities		(293,957)	31,665
FINANCING ACTIVITIES:			
Cash distributions paid	12	(3,080)	(3,080)
Repayment of long-term debt and financial liabilities	6	(199,256)	(635,795)
Payments of deferred finance costs	6	(4,973)	(12,227)
Proceeds from long-term debt and financial liabilities	6	311,020	486,048
Acquisition of treasury units	8	(5,000)	—
Net cash provided by/ (used in) financing activities		98,711	(165,054)
Increase in cash, cash equivalents and restricted cash		30,669	94,954
Cash, cash equivalents and restricted cash, beginning of period		249,175	175,098
Cash, cash equivalents and restricted cash, end of period		\$ 279,844	\$ 270,052

See unaudited notes to the condensed consolidated financial statements

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

	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Supplemental disclosures of cash flow information		
Cash interest paid	\$ 67,978	\$ 72,992
Non cash financing activities		
Stock-based compensation	\$ —	\$ 2
Financial and finance lease liabilities	\$ 27,463	\$ 173,010
Non cash investing activities		
Deposits for acquisition/ option to acquire vessel	\$ 101,687	\$ —
Acquisition of vessels	\$ (138,800)	\$ (201,129)

See unaudited notes to the condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL
(Expressed in thousands of U.S. Dollars except unit data)

	Limited Partners				Total Partners' Capital
	General Partner		Common Unitholders		
	Units	Amount	Units	Amount	
Balance, December 31, 2023	622,296	\$ 46,016	30,184,388	\$ 2,724,436	\$ 2,770,452
Cash distribution paid (\$0.05 per unit—see Note 12)	—	(31)	—	(1,509)	(1,540)
Net income	—	1,467	—	71,894	73,361
Balance, March 31, 2024	622,296	\$ 47,452	30,184,388	\$ 2,794,821	\$ 2,842,273
Cash distribution paid (\$0.05 per unit—see Note 12)	—	(31)	—	(1,509)	(1,540)
Acquisition of treasury units (see Note 8)	—	—	(100,538)	(5,000)	(5,000)
Net income	—	2,030	—	99,439	101,469
Balance, June 30, 2024	622,296	\$ 49,451	30,083,850	\$ 2,887,751	\$ 2,937,202

	Limited Partners				Total Partners' Capital
	General Partner		Common Unitholders		
	Units	Amount	Units	Amount	
Balance, December 31, 2022	622,296	\$ 37,469	30,184,388	\$ 2,305,494	\$ 2,342,963
Cash distribution paid (\$0.05 per unit—see Note 12)	—	(31)	—	(1,509)	(1,540)
Stock-based compensation	—	—	—	1	1
Net income	—	1,982	—	97,183	99,165
Balance, March 31, 2023	622,296	\$ 39,420	30,184,388	\$ 2,401,169	\$ 2,440,589
Cash distribution paid (\$0.05 per unit—see Note 12)	—	(31)	—	(1,509)	(1,540)
Stock-based compensation	—	—	—	1	1
Net income	—	2,246	—	110,062	112,308
Balance, June 30, 2023	622,296	\$ 41,635	30,184,388	\$ 2,509,723	\$ 2,551,358

See unaudited notes to the condensed consolidated financial statements

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

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.

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. and its affiliates, (the “Manager”) which are entities affiliated with the Company’s Chairwoman and Chief Executive Officer (see Note 11 – Transactions with related parties and affiliates).

As of June 30, 2024, there were outstanding 30,083,850 common units and 622,296 general partnership units. Angeliki Frangou, our Chief Executive Officer and Chairwoman beneficially owns an approximately 16.8% common interest of the total outstanding common units including 4,672,314 common units held through four entities affiliated with her. An entity affiliated with Angeliki Frangou beneficially owns 622,296 general partnerships units, representing an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units (see Note 11 – Transactions with related parties and affiliates).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation: The accompanying interim condensed consolidated financial statements are unaudited, but, in the opinion of management, reflect all adjustments for a fair statement of Navios Partners’ consolidated balance sheets, statement of partners’ capital, statements of operations and cash flows for the periods presented. The results of operations for the interim periods are not necessarily indicative of results for the full year. The footnotes are condensed as permitted by the requirements for interim financial statements and accordingly, do not include information and disclosures required under United States generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. All such adjustments are deemed to be of a normal recurring nature. These interim financial statements should be read in conjunction with the Company’s consolidated financial statements and notes included in Navios Partners’ annual report for the year ended December 31, 2023 filed on Form 20-F on April 3, 2024 (the “Annual Report”) with the U.S. Securities and Exchange Commission (“SEC”).

Based on internal forecasts and projections that take into account reasonably possible changes in Company’s trading performance, management believes that the Company has adequate financial resources, including cash from sale of vessels (Note 15 – Subsequent events) to continue in operation and meet its financial commitments, including but not limited to capital expenditures and debt service obligations, for a period of at least 12 months from the date of issuance of these condensed consolidated financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

Following Russia’s invasion of Ukraine in February 2022, the United States, the European Union, the United Kingdom and other countries have announced sanctions against Russia, and may impose wider sanctions and take other actions in the future. To date, no apparent consequences have been identified on the Company’s business. It should be noted that since the Company employs Ukrainian and Russian seafarers, it may face problems in relation to their employment, repatriation, salary payments and be subject to claims in this regard. In addition, the increased attacks in the Red Sea caused ships to avoid the use of the Red Sea and transits of the Suez Canal. Notwithstanding the foregoing and Israel’s war in Gaza, it is possible that these tensions and activities might eventually have an adverse impact on the Company’s business, financial condition, results of operations and cash flows.

Interest rates have increased significantly as central banks in Europe, United States and other developed countries have raised interest rates. The tighter monetary policy and higher long-term interest rates result in a higher cost of capital for the Company.

(b) Principles of consolidation: The accompanying interim condensed consolidated financial statements include Navios Partners’ wholly owned subsidiaries incorporated under the laws of the Republic of the Marshall Islands, Liberia, Malta, Delaware, Cayman Islands, Hong Kong, British Virgin Islands, Luxemburg and Belgium from their dates of incorporation or from the date of acquiring control or, for chartered-in vessels, from the dates charter-in agreements were in effect. All significant inter-company balances and transactions have been eliminated in Navios Partners’ condensed consolidated financial statements.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

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.

A discussion of the Company’s significant accounting policies can be found in Note 2 – Summary of significant accounting policies to the Company’s consolidated financial statements included in the Annual Report. There have been no material changes to these policies in the six month period ended June 30, 2024.

(c) Revenue and Expense Recognition:

Revenue from time chartering and bareboat 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 \$301,435 and \$300,689 for the three month periods ended June 30, 2024 and 2023, respectively. Revenue from time chartering and bareboat chartering of vessels amounted to \$571,696 and \$568,361 for the six month periods ended June 30, 2024 and 2023, respectively.

Revenue from voyage charters

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 \$32,729 and \$31,302 for the three month periods ended June 30, 2024 and 2023, respectively. Revenue from voyage contracts amounted to \$70,870 and \$55,052 for the six month periods ended June 30, 2024 and 2023, respectively.

Revenue from pooling arrangements

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company’s vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel’s age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases under the scope of ASC 842 and is recognized for the applicable period when collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. Revenue from vessels operating in pooling arrangements amounted to \$7,991 and \$14,947 for the three month periods ended June 30, 2024 and 2023, respectively. Revenue from vessels operating in pooling arrangements amounted to \$18,144 and \$32,997 for the six month periods ended June 30, 2024 and 2023, respectively.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit 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 semi-annual basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable. Profit-sharing revenue amounted to \$0 for each of the three month periods ended June 30, 2024 and 2023. Profit-sharing revenue amounted to \$0 and \$50 for the six month periods ended June 30, 2024 and 2023, 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.

Recent Accounting Pronouncements:

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in Navios Partners' Annual Report.

NOTE 3 – CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND OTHER INVESTMENTS

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 271,989	\$ 240,378
Restricted cash	7,855	8,797
Total cash and cash equivalents and restricted cash	\$ 279,844	\$ 249,175

Restricted cash relates to amounts held in retention accounts in order to service debt and interest payments, as required by certain of the Company's credit facilities and financial liabilities.

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

Other investments consist of time deposits with original maturities of greater than three months and less than 12 months. As of June 30, 2024 and December 31, 2023, other investments amounted to \$38,543 and \$47,000, respectively.

NOTE 4 – VESSELS, NET

Total Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2023	\$ 4,423,461	\$ (688,790)	\$ 3,734,671
Additions/ Remeasurement of finance lease liability/ (Depreciation)	349,987	(102,604)	247,383
Disposals	(146,341)	24,728	(121,613)
Balance June 30, 2024	\$ 4,627,107	\$ (766,666)	\$ 3,860,441

The above balances as of June 30, 2024 are analyzed in the following tables:

Owned Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2023	\$ 3,782,032	\$ (656,531)	\$ 3,125,501
Additions/ (Depreciation)	324,561	(89,988)	234,573
Disposals	(101,640)	20,364	(81,276)
Balance June 30, 2024	\$ 4,004,953	\$ (726,155)	\$ 3,278,798

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

Right-of-use assets under finance lease	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2023	\$ 641,429	\$ (32,259)	\$ 609,170
Remeasurement of finance lease liability/ (Depreciation)	25,426	(12,616)	12,810
Transfers to owned vessels	(44,701)	4,364	(40,337)
Balance June 30, 2024	\$ 622,154	\$ (40,511)	\$ 581,643

Right-of-use assets under finance leases are calculated at an amount equal to the finance liability, increased with the allocated excess value, the initial direct costs and adjusted for the carrying amount of the straight-line effect of liability as well as the favorable and unfavorable lease terms derived from charter-in agreements. Following the declarations of the Company's option to extend the charter period for one year for one Kamsarmax vessel and the option to acquire three Kamsarmax vessels (excluding one Kamsarmax vessel, which was delivered into Navios Partners' fleet in June 2024) and one Ultra-Handymax vessel, the corresponding right-of-use asset under finance lease was increased by the aggregate amount of \$26,062, upon remeasurement of the finance lease liability, to \$163,216 (see Note 6 – Borrowings).

During the six month periods ended June 30, 2024 and 2023, the Company capitalized certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation and other improvements, that amounted to \$10,284 and \$21,342, respectively, and are presented under the caption "Acquisition of/ additions to vessels" in the condensed Consolidated Statements of Cash Flows (see Note 11 – Transactions with related parties and affiliates).

Acquisition of Vessels

2024

In June 2024, Navios Partners agreed to acquire from an unrelated third party the Navios Venus, a 2015-built Ultra-Handymax vessel of 61,339 dwt, which was previously chartered-in and accounted for as a right-of-use asset under operating lease. In accordance with the provisions of ASC 842, the Company accounted the transaction as a lease modification and upon reassessment of the classification of the lease, the Company has classified the above transaction as a finance lease, as of the effective date of the modification. Following the reassessment performed, the Company recognized a right-of-use asset at \$27,463, being an amount equal to the finance lease liability (see Note 6 – Borrowings). The acquisition is expected to be completed during the fourth quarter of 2024.

On June 3, 2024, Navios Partners paid an amount of \$28,789 and acquired from an unrelated third party, the Navios Coral, a 2016-built Kamsarmax vessel of 84,904 dwt, which was previously accounted for as a right-of-use asset under a finance lease. At the same date, the Company derecognized the right-of-use asset under the finance lease and recognized the vessel at an aggregate cost of \$40,495.

On June 3, 2024, Navios Partners took delivery of the Zim Hawk, a 2024-built 5,300 TEU Containership, from an unrelated third party, for an acquisition cost of \$69,083 (including \$6,258 capitalized expenses).

On May 13, 2024, Navios Partners took delivery of the Nave Cosmos, a 2024-built Aframax/LR2 vessel of 115,651 dwt, from an unrelated third party, for an acquisition cost of \$67,868 (including \$5,210 capitalized expenses).

On April 8, 2024, Navios Partners took delivery of the Zim Condor, a 2024-built 5,300 TEU Containership, from an unrelated third party, for an acquisition cost of \$69,143 (including \$6,318 capitalized expenses).

On January 25, 2024, Navios Partners took delivery of the Zim Eagle, a 2024-built 5,300 TEU Containership, from an unrelated third party, for an acquisition cost of \$67,707 (including \$6,107 capitalized expenses).

2023

On June 21, 2023, Navios Partners took delivery of the Navios Amethyst, a 2023-built Capesize vessel of 182,212 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right of use asset at \$63,690, being an amount equal to the initial measurement of the finance lease liability increased by the amount of \$2,346, which was prepaid before the lease commencement.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

On April 27, 2023, Navios Partners took delivery of the Navios Sakura, a 2023-built Capesize vessel of 182,169 dwt, from an unrelated third party by entering into a 15-year bareboat charter-in agreement which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right of use asset at \$49,770, being an amount equal to the initial measurement of the finance lease liability increased by the amount of \$2,579, which was prepaid before the lease commencement.

On March 29, 2023, Navios Partners took delivery of the Navios Altair, a 2023-built Capesize vessel of 182,115 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right-of-use asset at \$45,934 being an amount equal to the initial measurement of the finance lease liability, increased by the amount of \$2,815, which was prepaid before the lease commencement.

On March 6, 2023, Navios Partners paid an amount of \$42,879 (including \$1,600 related to the scrubber system installation) and acquired from an unrelated third party, the Navios Felix, a 2016-built scrubber-fitted Capesize vessel of 181,221 dwt, which was previously accounted for as a right-of-use asset under a finance lease. At the same date, the Company derecognized the right-of-use asset under the finance lease and recognized the vessel at an aggregate cost of \$53,232.

On February 5, 2023, Navios Partners took delivery of the Navios Meridian, a 2023-built Kamsarmax vessel of 82,010 dwt, from an unrelated third party, for an acquisition cost of \$35,605.

Sale of Vessels

2024

During the six month period ended June 30, 2024, Navios Partners sold four vessels to various unrelated third parties for an aggregate net sales price of \$91,400. Following the sale of such vessels, the aggregate amount of \$16,747 (including the aggregate remaining carrying balance of drydock and special survey cost of \$991) is presented under the caption "Gain on sale of vessels, net" in the condensed Consolidated Statements of Operations and the condensed Consolidated Statements of Cash Flows.

2023

During the six month period ended June 30, 2023, Navios Partners sold 12 vessels to various unrelated third parties for an aggregate net sales price of \$215,839. Following the sale of such vessels, the aggregate amount of \$43,601 (including the aggregate remaining carrying balance of dry-dock and special survey cost of \$11,078) is presented under the caption "Gain on sale of vessels, net" in the condensed Consolidated Statements of Operations and the condensed Consolidated Statements of Cash Flows.

Vessels "agreed to be sold"

2023

On May 10, 2023, Navios Partners agreed to sell a 2008-built LR1 vessel of 63,599 dwt, to an unrelated third party, for a net sales price of \$21,583. The sale was completed on July 7, 2023. The aggregate net carrying amount of the vessel amounted to \$14,246 at the date of the sale. 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 June 30, 2023.

Vessels impairment loss

2024

As of June 30, 2024, Navios Partners assessed whether impairment indicators for any of its long-lived assets existed and concluded that such indicators were present for two of its dry bulk vessels, mainly due to Company's intention to sell these vessels. As of June 30, 2024, the undiscounted projected net operating cash flows for the two vessels did not exceed the carrying value of each asset group and an impairment loss of \$7,614 was recognized and is presented under the caption "Gain on sale of vessels, net" in the condensed Consolidated Statements of Operations and the condensed Consolidated Statements of Cash Flows. The impairment loss was calculated as the difference between the fair value of the vessel (see Note 7 – Fair value of financial instruments) and the carrying value of the asset group.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

NOTE 5 – INTANGIBLE ASSETS AND LIABILITIES

Intangible assets as of June 30, 2024 and December 31, 2023 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Favorable lease terms December 31, 2023	\$ 211,644	\$ (151,213)	\$ 60,431
Amortization	—	(9,079)	(9,079)
Favorable lease terms June 30, 2024	<u>\$ 211,644</u>	<u>\$ (160,292)</u>	<u>\$ 51,352</u>

Amortization expense of favorable lease terms for each of the periods ended June 30, 2024 and 2023 is presented in the following table:

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Favorable lease terms	\$ (4,540)	\$ (4,539)	\$ (9,079)	\$ (9,207)
Total	<u>\$ (4,540)</u>	<u>\$ (4,539)</u>	<u>\$ (9,079)</u>	<u>\$ (9,207)</u>

The aggregate amortization of the intangible assets for the next five 12-month periods ending June 30 is estimated to be as follows:

Period	Amount
2025	\$ 17,702
2026	11,182
2027	5,115
2028	4,982
2029	4,982
2030 and thereafter	7,389
Total	<u>\$ 51,352</u>

Intangible assets subject to amortization are amortized using straight-line method over their estimated useful lives to their estimated residual value of zero. As of June 30, 2024, the weighted average useful life of the remaining favorable lease terms was 4.7 years.

Intangible liabilities as of June 30, 2024 and December 31, 2023 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Unfavorable lease terms December 31, 2023	\$ 231,407	\$ (203,423)	\$ 27,984
Amortization	—	(6,307)	(6,307)
Unfavorable lease terms June 30, 2024	<u>\$ 231,407</u>	<u>\$ (209,730)</u>	<u>\$ 21,677</u>

Amortization income of unfavorable lease terms for each of the periods ended June 30, 2024 and 2023 is presented in the following table:

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Unfavorable lease terms	\$ 3,171	\$ 5,322	\$ 6,307	\$ 12,910
Total	<u>\$ 3,171</u>	<u>\$ 5,322</u>	<u>\$ 6,307</u>	<u>\$ 12,910</u>

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

The aggregate amortization of the intangible liabilities for the next five 12-month periods ending June 30 is estimated to be as follows:

Period	Amount
2025	\$ 12,204
2026	9,473
2027	—
2028	—
2029	—
2030 and thereafter	—
Total	\$ 21,677

Intangible liabilities subject to amortization are amortized using straight-line method over their estimated useful lives to their estimated residual value of zero. As of June 30, 2024, the weighted average useful life of the remaining unfavorable lease terms was 1.8 years.

NOTE 6 – BORROWINGS

Borrowings as of June 30, 2024 and December 31, 2023 consisted of the following:

	June 30, 2024	December 31, 2023
Credit facilities	\$ 1,019,721	\$ 908,288
Financial liabilities	522,913	502,275
Finance lease liabilities	444,901	468,414
Total borrowings	\$ 1,987,535	\$ 1,878,977
Less: Current portion of long-term borrowings, net	(529,651)	(285,036)
Less: Deferred finance costs, net	(20,321)	(17,514)
Long-term borrowings, net	\$ 1,437,563	\$ 1,576,427

As of June 30, 2024, the total borrowings, net of deferred finance costs were \$1,967,214.

Credit Facilities

ABN Amro Bank N.V: On June 26, 2024, Navios Partners entered into a reducing revolving credit facility with ABN Amro Bank N.V for a total amount up to \$95,000 (divided into two tranches) in order to refinance the existing indebtedness of two of its vessels and to finance part of the acquisition cost of four dry bulk vessels. On June 28, 2024, the first tranche of the credit facility of \$45,000 was drawn. In August 2024, the amount of \$34,242 was drawn and the amount of \$15,758 remains to be drawn. As of June 30, 2024, the total outstanding balance was \$45,000. The credit facility matures five years after each drawdown date and bears interest at Compounded Secured Overnight Financing Rate (“Compounded SOFR”) plus 175 bps per annum.

Nordea Bank ABP: On January 3, 2024, Navios Partners entered into a credit facility with Nordea Bank ABP for a total amount up to \$40,000 in order to refinance three tankers. On March 26, 2024, the full amount was drawn. As of June 30, 2024, the total outstanding balance was \$38,758. The credit facility matures in the first quarter of 2029 and bears interest at Compounded SOFR plus 195 bps per annum.

BNP PARIBAS: On June 12, 2023, Navios Partners entered into a credit facility with BNP Paribas of up to \$40,000 in order to refinance the existing indebtedness of nine of its containerships. On June 16, 2023, the full amount was drawn. On April 29, 2024, Navios Partners prepaid the amount of \$3,990 relating to one containership that was released from the facility. As of June 30, 2024, the total outstanding balance was \$27,924. The credit facility matures in the second quarter of 2026 and bears interest at Compounded SOFR plus 250 bps per annum.

DNB (UK) Limited and The Export-Import Bank of China: On February 16, 2023, Navios Partners entered into a credit facility with DNB (UK) Limited and The Export-Import Bank of China for a total amount up to \$161,600 in order to finance part of the contract price of four newbuilding containerships. During the first half of 2024, the amount of \$121,600 was drawn, in relation to the deliveries of the three 5,300 TEU newbuilding containerships. In July 2024, in

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

relation to the delivery of the remaining 5,300 TEU newbuilding containership, the amount of \$40,000 was drawn. As of June 30, 2024, the total outstanding balance was \$120,580. The credit facility matures ten years after each drawdown date upon the delivery of the respective vessel and bears interest at Compounded SOFR plus 170 bps per annum.

KFW IPEX-BANK GMBH: On September 30, 2022, Navios Partners entered into a credit facility with KFW IPEX-BANK GMBH (“KFW”) for a total amount up to \$86,240 in order to finance part of the acquisition cost of two newbuilding containerships. Following the delivery of the two 5,300 TEU newbuilding containerships in November 2023 and January 2024, the full amount was drawn. As of June 30, 2024, the total outstanding balance was \$84,219. The credit facility matures in the fourth quarter of 2030 and the first quarter of 2031 and bears interest at Compounded SOFR plus 200 bps per annum.

Hamburg Commercial Bank AG: On September 5, 2022, Navios Partners entered into a credit facility with Hamburg Commercial Bank AG (“HCOB”) for a total amount up to \$210,000 in order to refinance the existing indebtedness of 20 of its vessels and for working capital purposes. On September 9, 2022, the full amount was drawn. During the year ended December 31, 2022, following the sale of two vessels, the aggregate amount of \$10,239 was prepaid. During the year ended December 31, 2023, following the sale of two vessels, the aggregate amount of \$14,182 was prepaid. During the first half of 2024, in relation to the sales of a 2004-built Panamax vessel of 76,602 dwt and a 2006-built Panamax vessel of 76,596 dwt, the aggregate amount of \$9,756 was prepaid. In August 2024, in relation to the sale of one 2005-built Post-Panamax vessel of 87,052 dwt, the amount of \$3,593 was prepaid. As of June 30, 2024, the total outstanding balance was \$121,867. The credit facility matures in the second quarter of 2025 and bears interest at Compounded SOFR plus 250 bps per annum.

In August 2021, as amended on November 10, 2021 and December 7, 2021, Navios Maritime Acquisition Corporation (“Navios Acquisition”) entered into a loan agreement with HCOB, Alpha Bank S.A. and National Bank of Greece, of \$190,216 in order to partially refinance the existing indebtedness of seven tanker vessels. Pursuant to an amendment in December 2021, two container vessels were added as collaterals. In January 2023, following the sale of one 2011-built Chemical Tanker vessel of 25,145 dwt and one 2010-built Chemical Tanker vessel of 25,130 dwt, the amount of \$11,440 was prepaid. In May 2024, in relation to the sale of one 2009-built VLCC of 297,188 dwt, the amount of \$16,568 was prepaid. As of June 30, 2024, the total outstanding balance of the credit facility was \$84,715. The credit facility matures in the second quarter of 2025. Pursuant to the amendment dated July 24, 2023, the credit facility bears interest at Compounded SOFR plus margin ranging from 290 to 350 bps per annum, based on the loan to value ratio as defined in the loan agreement.

DNB BANK ASA: On August 19, 2021, Navios Partners entered into a credit facility with DNB Bank ASA for a total amount 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. On February 20, 2024, the total outstanding balance of \$12,240 was fully prepaid.

On December 13, 2021, Navios Partners entered into a sustainability linked credit facility with DNB Bank ASA of up to \$72,710 for the refinancing of the existing credit facilities of three tanker vessels and two dry bulk vessels. On December 15, 2021, the full amount was drawn. On December 15, 2023, Navios Partners prepaid the amount of \$37,075 relating to three tanker vessels that were released from the facility. On June 28, 2024, the total outstanding balance of \$17,160 relating to the remaining two dry bulk vessels was fully prepaid.

Financial Liabilities

In February 2024, Navios Partners entered into a sale and leaseback agreement of \$16,800 with an unrelated third party for the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. Navios Partners has a purchase option to acquire the vessel at the end of the lease term given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On March 15, 2024, the amount of \$16,800 was drawn. As of June 30, 2024, the outstanding balance under the sale and leaseback agreement was \$16,256. The sale and leaseback transaction matures in the first quarter of 2030 and bears interest at Term Secured Overnight Financing Rate (“Term SOFR”) plus 225 bps per annum.

In January 2024, Navios Partners entered into a sale and leaseback agreement of up to \$45,260 with an unrelated third party, in order to finance the acquisition of one 115,000 dwt Aframax/LR2 newbuilding vessel. As of June 30, 2024, the

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

total amount remained undrawn. The sale and leaseback agreement matures seven years after the drawdown date and bears interest at Term SOFR plus 190 bps per annum.

In November 2023, Navios Partners entered into sale and leaseback agreements of \$175,600 with unrelated third parties, in order to finance the acquisition of two 5,300 TEU newbuilding containerships and two newbuilding Aframax/LR2 tanker vessels. In August 2024, in relation to the delivery of the Nave Polaris, a 2024-built Aframax/LR2 vessel of 115,699 dwt, the amount of \$43,850 was drawn and \$131,750 remains to be drawn. The sale and leaseback transaction matures ten years after each drawdown date and bears interest at Term SOFR plus 200 bps per annum.

In May 2023, Navios Partners entered into sale and leaseback agreements of \$178,000 with unrelated third parties, in order to finance the acquisition of two 5,300 TEU newbuilding containerships and two newbuilding Aframax/LR2 tanker vessels. In May 2024, in relation to the delivery of the Nave Cosmos, a 2024-built Aframax/LR2 vessel of 115,651 dwt, the amount of \$44,500 was drawn. In August 2024, in relation to the delivery of the Zim Seagull, a 2024-built 5,300 TEU containership, the amount of \$44,500 was drawn and \$89,000 remains to be drawn. As of June 30, 2024, the outstanding balance under the sale and leaseback agreement was \$43,970. The sale and leaseback transaction matures ten years after each drawdown date and bears interest at Term SOFR plus 210 bps per annum.

In October 2022, Navios Partners completed a \$100,000 sale and leaseback transaction with unrelated third parties to refinance the existing sale and leaseback transaction of 12 containerships. Navios Partners has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transfer of the vessels was determined to be a failed sale. In accordance with ASC 842-40, Navios Partners did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback transaction as a financial liability. Navios Partners drew the entire amount on October 31, 2022, net of discount of \$800. In May 2024, in relation to the sale of one 2007-built 3,450 TEU containership, the amount of \$4,411 was prepaid. Navios Partners also has an obligation at maturity to purchase the 11 containerships. As of June 30, 2024, the outstanding balance under the sale and leaseback agreement was \$55,223. The sale and leaseback agreement bears interest at Term SOFR plus 210 bps per annum.

Finance Lease Liabilities

In June 2024, Navios Partners agreed to acquire from an unrelated third party the Navios Venus, a previously chartered-in, 2015-built Ultra-Handymax vessel of 61,339 dwt, which was previously accounted for as a right-of-use asset under operating lease. In accordance with the provisions of ASC 842, the Company accounted the transaction as a lease modification and upon reassessment of the classification of the lease, the Company has classified the above transaction as finance lease, as of the effective date of the modification. Consequently, as per ASC 842-10-25-11, the Company reallocated the remaining consideration in the contract and remeasured the lease liability using an updated incremental borrowing rate of approximately 6%. As of June 30, 2024, the outstanding balance was \$27,383.

On July 29, 2022, Navios Partners took delivery of the Navios Coral, a 2016-built Kamsarmax vessel of 84,904 dwt, for a remaining three-year charter-in agreement. The charter-in provided for purchase options with de-escalating purchase prices. The Company had performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement was a finance lease. Consequently, the Company had recognized a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. During the first quarter of 2024, the Company declared its option to acquire the vessel and remeasured the finance lease liability. The finance lease liability recognized at the date of remeasurement was decreased by \$636. The corresponding right-of-use asset under finance lease was adjusted upon remeasurement of the finance lease liability (see Note 4 – Vessels, net). In June 2024, the Company acquired the Navios Coral and repaid in full the outstanding balance of the finance lease liability as of that date.

On July 29, 2022, Navios Partners took delivery of the Navios Amber, a 2015-built Kamsarmax vessel of 80,994 dwt, for a remaining one-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. During the first quarter of 2024, the Company declared its option to extend the charter period for one year and declared its option to acquire the vessel. Under the ASC 842, the extension of the charter period is considered as a lease modification. Consequently, the Company reallocated the remaining consideration in the contract and remeasured the finance lease

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

liability by using the updated Company's incremental borrowing rate of approximately 6%. The finance lease liability recognized at the date of modification was increased by \$592. The corresponding right-of-use asset under finance lease was adjusted upon remeasurement of the finance lease liability (see Note 4 – Vessels, net). As of June 30, 2024, the outstanding balance was \$31,009.

On July 29, 2022, Navios Partners took delivery of the Navios Citrine, a 2017-built Kamsarmax vessel of 81,626 dwt, for a remaining three-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. During the first quarter of 2024, the Company declared its option to acquire the vessel and remeasured the finance lease liability. The finance lease liability recognized at the date of remeasurement was decreased by \$969. The corresponding right-of-use asset under finance lease was adjusted upon remeasurement of the finance lease liability (see Note 4 – Vessels, net). As of June 30, 2024, the outstanding balance was \$26,140.

On July 29, 2022, Navios Partners took delivery of the Navios Dolphin, a 2017-built Kamsarmax vessel of 81,630 dwt, for a remaining three-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. During the first quarter of 2024, the Company declared its option to acquire the vessel and remeasured the finance lease liability. The finance lease liability recognized at the date of remeasurement was decreased by \$1,024. The corresponding right-of-use asset under finance lease was adjusted upon remeasurement of the finance lease liability (see Note 4 – Vessels, net). As of June 30, 2024, the outstanding balance was \$26,164.

As of June 30, 2024 and 2023, payments related to the finance lease liabilities for the six month periods ended amounted to \$20,307 and \$12,119, respectively and are presented under the caption "Repayment of long-term debt and financial liabilities" in the condensed Consolidated Statements of Cash Flows.

Covenants and Other Terms of Credit Facilities and Financial Liabilities

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

The Company's credit facilities and certain financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a required security ranging over 110% to 140%; (ii) minimum free consolidated liquidity in an amount equal to \$500 per owned vessel and a number of vessels as defined in the Company's credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company's credit facilities and financial liabilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth of \$135,000.

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

As of June 30, 2024, 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.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

The annualized weighted average interest rates of the Company's total borrowings for each of the three and six month periods ended June 30, 2024 were 7.1%. The annualized weighted average interest rates of the Company's total borrowings for the three and six month periods ended June 30, 2023 were 7.4% and 7.2%, respectively.

The maturity table below reflects the principal payments for the next five 12-month periods ending June 30 of all borrowings of Navios Partners outstanding as of June 30, 2024, based on the repayment schedules of the respective credit facilities, financial liabilities and finance lease liabilities.

Period	Amount
2025	\$ 535,500
2026	311,344
2027	226,902
2028	210,149
2029	136,541
2030 and thereafter	567,099
Total	\$ 1,987,535

NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of many of Navios Partners' financial instruments, including accounts receivable and accounts payable approximate their fair value due primarily to the short-term maturity of the related instruments.

Fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the condensed Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these deposits.

Restricted cash: The carrying amounts reported in the condensed Consolidated Balance Sheets for interest bearing deposits approximate their fair value because of the short maturity of these deposits.

Other investments: The carrying amounts reported in the condensed Consolidated Balance Sheets for interest bearing deposits approximate their fair value.

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

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

Credit facilities and financial liabilities, including current portion, net: The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate credit facilities and financial liabilities continues to approximate its fair value, excluding the effect of any deferred finance costs.

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

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

	June 30, 2024		December 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 271,989	\$ 271,989	\$ 240,378	\$ 240,378
Restricted cash	\$ 7,855	\$ 7,855	\$ 8,797	\$ 8,797
Other investments	\$ 38,543	\$ 38,543	\$ 47,000	\$ 47,000
Amounts due from related parties, short-term	\$ 29,784	\$ 29,784	\$ —	\$ —
Amounts due from related parties, long-term	\$ —	\$ —	\$ 39,570	\$ 39,570
Amounts due to related parties, short-term	\$ —	\$ —	\$ (32,026)	\$ (32,026)
Credit facilities and financial liabilities, including current portion, net	\$ (1,522,313)	\$ (1,542,634)	\$ (1,393,049)	\$ (1,410,563)

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 June 30, 2024.

	Fair Value Measurements as at June 30, 2024			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 271,989	\$ 271,989	\$ —	\$ —
Restricted cash	\$ 7,855	\$ 7,855	\$ —	\$ —
Other investments	\$ 38,543	\$ 38,543	\$ —	\$ —
Amounts due from related parties, short-term	\$ 29,784	\$ —	\$ 29,784	\$ —
Credit facilities and financial liabilities, including current portion, net ⁽¹⁾	\$ (1,542,634)	\$ —	\$ (1,542,634)	\$ —

	Fair Value Measurements as at December 31, 2023			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 240,378	\$ 240,378	\$ —	\$ —
Restricted cash	\$ 8,797	\$ 8,797	\$ —	\$ —
Other investments	\$ 47,000	\$ 47,000	\$ —	\$ —
Amounts due from related parties, long-term	\$ 39,570	\$ —	\$ 39,570	\$ —
Amounts due to related parties, short-term	\$ (32,026)	\$ —	\$ (32,026)	\$ —
Credit facilities and financial liabilities, including current portion, net ⁽¹⁾	\$ (1,410,563)	\$ —	\$ (1,410,563)	\$ —

(1) The fair value of the Company's credit facilities and financial liabilities is estimated based on currently available credit facilities, financial liabilities, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.

As of June 30, 2024, the estimated fair value of the Company's vessels measured at fair value on a non-recurring basis, is based on the third party valuation reports and is categorized based upon the fair value hierarchy as follows:

	Fair Value Measurements as at June 30, 2024			
	Total	Level I	Level II	Level III
Vessels	\$ 25,510	\$ —	\$ 25,510	\$ —

As of December 31, 2023, the estimated fair value of the Company's right-of-use asset measured at fair value on a non-recurring basis, is based on what a market participant would pay for the right-of-use asset for its highest and best use

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

calculated using discounted cash flow, which comprises various assumptions, including the Company's discount factor of 11.0% and is categorized based upon the fair value hierarchy as follows:

	Fair Value Measurements as at December 31, 2023			
	Total	Level I	Level II	Level III
Operating leases	\$ 3,595	\$ —	\$ —	\$ 3,595

NOTE 8 – REPURCHASES AND ISSUANCE OF UNITS

In July 2022, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to \$100,000 of the Company's common units. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Navios Partners' management based upon market conditions and financial and other considerations, including working capital and planned or anticipated growth opportunities. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in the Company's discretion and without notice. The Board of Directors will review the program periodically. As of June 30, 2024, the Company had repurchased 100,538 common units, for a total cost of approximately \$5,000. As of September 4, 2024, the Company had repurchased 246,573 common units, for a total cost of approximately \$12,179.

NOTE 9 – INCOME TAXES

The Republic of the Marshall Islands does not impose a tax on international shipping income. Under the laws of the Marshall Islands, Malta, Liberia, Cayman Islands, Hong Kong, British Virgin Islands, Panama and Belgium, the countries of the vessel-owning subsidiaries' incorporation and/or vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes, which have been included in vessel expenses in the accompanying condensed Consolidated Statements of Operations.

In accordance with the currently applicable Greek law, foreign flagged vessels that are managed by Greek or foreign ship management companies having established an office in Greece on the basis of the applicable licensing regime are subject to tax liability towards the Greek state, which is calculated on the basis of the relevant vessel's tonnage. A tax credit is recognized for tonnage tax (or similar tax) paid abroad, up to the amount of the tax due in Greece.

The owner, the manager and the bareboat charterer or the financial lessee (where applicable) are liable to pay the tax due to the Greek state. The payment of said tax exhausts the tax liability of the foreign ship owning company, the bareboat charterer, the financial lessee (as applicable) and the relevant manager against any tax, duty, charge or contribution payable on income from the exploitation of the foreign flagged vessel outside Greece.

We have elected to be treated and we are currently treated as a corporation for U.S. federal income tax purposes. As such, we are not subject to section 1446 as that section only applies to entities that for U.S. federal income tax purposes are characterized as partnerships.

Pursuant to Section 883 of the Internal Revenue Code of the United States, U.S. source income from the international operation of ships is generally exempt from U.S. income tax if the company operating the ships meets certain incorporation and ownership requirements. Among other things, in order to qualify for this exemption, the company operating the ships must be incorporated in a country, which grants an equivalent exemption from income taxes to U.S. corporations. All the vessel-owning subsidiaries satisfy these initial criteria.

In addition, these companies must meet an ownership test. The management of Navios Partners believes that this ownership test was satisfied prior to the IPO by virtue of a special rule applicable to situations where the ship operating companies are beneficially owned by a publicly traded company. Although not free from doubt, management also believes that the ownership test will be satisfied based on the trading volume and ownership of Navios Partners' units, but no assurance can be given that this will remain so in the future.

NOTE 10 – 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

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. Management believes the ultimate disposition of these matters will be immaterial individually and in the aggregate to Navios Partners' financial position, results of operations or liquidity.

On July 2, 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships, from an unrelated third party, for a purchase price of \$61,600 each. On November 9, 2023, on January 25, 2024, on July 4, 2024 and on July 31, 2024, Navios Partners took delivery of the Sparrow, the Zim Eagle, the Zim Falcon and the Zim Pelican, respectively. 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. During the year ended December 31, 2021, the first installment of each vessel of \$6,160, or \$24,640 accumulated for the four vessels, was paid. During the year ended December 31, 2022, the aggregate amount of \$36,960 in relation to the second installment for the four vessels and the third installment for two of the vessels, was paid. During the year ended December 31, 2023, the aggregate amount of \$55,440 in relation to the third installment for the other two vessels and the last installment for one of the vessels was paid. During the first half of 2024, the amount of \$86,240 in relation to the last installment for two of the vessels was paid. As of June 30, 2024, the total amount of \$80,080 is presented under the caption "Deposits for vessels acquisitions" in the condensed 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. On August 26, 2024 Navios Partners took delivery of the Zim Seagull. The remaining vessel is 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. During the year ended December 31, 2021, the first installment of each vessel of \$6,160, or \$12,320 accumulated for the two vessels was paid. During the year ended December 31, 2023, the aggregate amount of \$18,480 in relation to the second installment for the two vessels and the third installment for one of the vessels was paid. During the first half of 2024, the amount of \$6,160 in relation to the third installment for the other one vessel was paid. As of June 30, 2024, the total amount of \$36,960 is presented under the caption "Deposits for vessels acquisitions" in the condensed 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. On April 8, 2024 and on June 3, 2024, Navios Partners took delivery of the Zim Condor and the Zim Hawk, respectively. The remaining vessels are expected to be delivered into Navios Partners' fleet during 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. During the year ended December 31, 2022, the aggregate amount of \$43,978 in relation to the first installment for the four vessels, the second installment for two of the vessels and the third installment for one of the vessels was paid. During the year ended December 31, 2023, the aggregate amount of \$37,695 in relation to the second installment for the other two vessels, the third installment for two of the vessels and the fourth installment for two of the vessels was paid. During the first half of 2024, the aggregate amount of \$87,955 in relation to the third installment for one of the vessels, the fourth installment for one of the vessels and the last installment for two of the vessels was paid. As of June 30, 2024, the total amount of \$43,978 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

In April 2022, Navios Partners agreed to purchase four 115,000 dwt Aframax/LR2 newbuilding vessels, from an unrelated third party, for a purchase price of \$58,500 each (plus \$4,158 per vessel in additional features). On May 13, 2024 and on August 12, 2024, Navios Partners took delivery of the Nave Cosmos and the Nave Polaris, respectively. The remaining vessels are expected to be delivered into Navios Partners' fleet during the second half of 2024. Navios Partners agreed to pay in total \$23,400 plus extras in four installments for each vessel and the remaining amount of \$35,100 plus extras for each vessel will be paid upon delivery of each vessel. During the year ended December 31, 2022, the first installment of each vessel of \$6,266, or \$25,063 accumulated for the four vessels was paid. During the year ended December 31, 2023, the aggregate amount of \$31,329 in relation to the second installment for the four vessels and the third installment for one of the vessels was paid. During the first half of 2024, the aggregate amount of \$68,923 in relation to the third installment for the other three vessels, the fourth installment for two of the vessels and the last installment for one of the vessels was paid. As of June 30, 2024, the total amount of \$62,658 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

In June 2022, Navios Partners agreed to purchase two newbuilding liquefied natural gas (LNG) dual fuel 7,700 TEU containerships, from an unrelated third party, for an amended purchase price of \$115,510 each (original price of \$120,610 each). The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2024 and the first half of 2025. Navios Partners agreed to pay in total \$92,408 in four installments for each vessel and the

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

remaining amount of \$23,102 for each vessel will be paid upon delivery of the vessel. During the year ended December 31, 2022, the first installment of each vessel of \$23,102, or \$46,204 accumulated for the two vessels, was paid. During the year ended December 31, 2023, the aggregate amount of \$103,959 in relation to the second and third installments for the two vessels, was paid. As of June 30, 2024, the total amount of \$150,163 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

In November 2022, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding vessels, from an unrelated third party, for a purchase price of \$60,500 each (plus \$4,158 per vessel in additional features). The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2025. Navios Partners agreed to pay in total \$24,200 plus extras in four installments for each vessel and the remaining amount of \$36,300 plus extras for each vessel will be paid upon delivery of each vessel. During the year ended December 31, 2023, the aggregate amount of \$12,100 in relation to the first installment for the two vessels, was paid. During the first half of 2024, the amount of \$12,100 in relation to the second installment for the two vessels was paid. As of June 30, 2024, the total amount of \$24,200 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

In December 2022, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels, from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total \$18,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2025 and the first half of 2026. During the year ended December 31, 2023, the aggregate amount of \$9,000 in relation to the deposit for the option to acquire the two vessels, was paid. As of June 30, 2024, the total amount of \$11,095, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

During the second quarter of 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels, from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total \$18,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2026. During the year ended December 31, 2023, the aggregate amount of \$9,000 in relation to the deposit for the option to acquire the two vessels, was paid. As of June 30, 2024, the total amount of \$10,972, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

In August 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels, from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total \$20,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2027. During the year ended December 31, 2023, the aggregate amount of \$10,000 in relation to the deposit for the option to acquire the two vessels, was paid. As of June 30, 2024, the total amount of \$12,027, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

During the third quarter of 2023, Navios Partners agreed to acquire four 115,000 dwt Aframax/LR2 newbuilding scrubber-fitted vessels, from an unrelated third party, for a purchase price of \$61,250 each (plus \$3,300 per vessel in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2026. Navios Partners agreed to pay in total \$27,562 plus extras in four installments for each vessel and the remaining amount of \$33,688 plus extras for each vessel will be paid upon delivery of each vessel. During the first half of 2024, the aggregate amount of \$36,750 in relation to the first installment for the four vessels was paid. As of June 30, 2024, the total amount of \$36,750 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

During the first quarter of 2024, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding scrubber-fitted vessels from an unrelated third party, for a purchase price of \$61,250 each (plus \$3,300 per vessel in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2027. Navios Partners agreed to pay in total \$27,562 plus extras in four installments for each vessel and the remaining amount of \$33,688 plus extras for each vessel will be paid upon delivery of each vessel. During the first half of 2024, the aggregate amount of \$18,375 in relation to the first installment for the two vessels was paid. As of June 30, 2024, the total amount of \$18,375 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

During the second quarter of 2024, Navios Partners agreed to acquire two 7,900 TEU newbuilding methanol-ready and scrubber-fitted containerships from an unrelated third party, for a purchase price of \$102,750 each (plus \$3,250 per vessel in additional features). The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2026. Navios Partners agreed to pay in total \$82,200 plus extras in four installments for each vessel and the remaining amount of \$20,550 plus extras for each vessel will be paid upon delivery of each vessel.

During the second quarter of 2024, Navios Partners agreed to acquire four 115,000 dwt Aframax/LR2 newbuilding scrubber-fitted vessels from an unrelated third party, for a purchase price of \$62,250 (plus \$3,300 per vessel in additional features) for each of the first two vessels and a purchase price of \$63,000 (plus \$3,300 per vessel in additional features) for each of the other two vessels. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2027 and the first half of 2028. For the first two vessels, Navios Partners agreed to pay in total \$34,238 plus extras in four installments for each vessel and the remaining amount of \$28,012 plus extras for each vessel will be paid upon delivery of each vessel. For the other two vessels, Navios Partners agreed to pay in total \$34,650 plus extras in four installments for each vessel and the remaining amount of \$28,350 plus extras for each vessel will be paid upon delivery of each vessel.

As of June 30, 2024, an amount of \$60,098 related to capitalized costs is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

The Company's future minimum lease commitments under the Company's bareboat-in contracts for undelivered vessels for the next five 12-month periods ending June 30, are as follows:

Period	Amount
2025	\$ —
2026	3,310
2027	12,837
2028	18,666
2029	18,615
2030 and thereafter	132,867
Total	\$ 186,295

NOTE 11 – TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

Vessel operating expenses: In August 2019, Navios Partners extended the duration of its management agreement ("Management Agreement") with the Manager until January 1, 2025, with an automatic renewal for an additional five years, unless earlier terminated by either party.

Following the completion of the merger with Navios Maritime Containers L.P. ("Navios Containers"), the fleet of Navios Containers is included in Navios Partners' owned fleet and continued to be operated by the Manager pursuant to the terms of the Navios Containers' management agreement with the Manager (the "NMCI Management Agreement").

Following the completion of the merger with Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet and continued to be operated by the Manager pursuant to the terms of Navios Acquisition's management agreement with Navios Tankers Management Inc. (the "NNA Management Agreement" and together with the Management Agreement and the NMCI Management Agreement, the "Management Agreements").

The Manager provided commercial and technical management services to Navios Partners' vessels: (i) until December 31, 2022 vessel operating expenses were fixed for a daily fee of: (a) \$4.48 per Ultra-Handymax vessel; (b) \$4.58 per Panamax vessel; (c) \$5.57 per Capesize vessel; (d) \$6.28 per Containership of TEU 1,300 up to 3,400; (e) \$6.40 per Containership of TEU 3,450 up to 4,999; (f) \$7.11 per Containership of TEU 6,800; (g) \$8.01 per Containership of TEU 8,000 up to 9,999; (h) \$8.52 per Containership of TEU 10,000 up to 11,999; (i) \$7.03 per MR2 and MR1 product tanker and chemical tanker vessel; (j) \$7.44 per LR1 product tanker vessel; and (k) \$9.94 per VLCC; (ii) until December 31, 2023 vessel operating expenses were fixed for a daily fee of: (a) \$4.62 per Ultra-Handymax vessel; (b) \$4.72 per Panamax vessel; (c) \$5.74 per Capesize vessel; (d) \$6.47 per Containership of TEU 1,300 up to 3,400; (e) \$6.59 per Containership of TEU 3,450 up to 4,999; (f) \$7.32 per Containership of TEU 5,000 up to 6,800; (g) \$8.25 per Containership of TEU 8,000 up to 9,999; (h) \$8.77 per Containership of TEU 10,000 up to 11,999; (i) \$7.24 per MR2 and MR1 product tanker and chemical tanker vessel; (j) \$7.67 per LR1 product tanker vessel; and (k) \$10.24 per VLCC; (iii) commencing from January 1, 2024 vessel operating expenses are fixed for one year for a daily fee of: (a) \$4.75 per

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

Ultra-Handymax vessel; (b) \$4.86 per Panamax vessel; (c) \$5.91 per Capesize vessel; (d) \$6.67 per Containership of TEU 1,300 up to 3,400; (e) \$6.79 per Containership of TEU 3,450 up to 4,999; (f) \$7.54 per Containership of TEU 5,000 up to 6,800; (g) \$8.50 per Containership of TEU 8,000 up to 9,999; (h) \$9.04 per Containership of TEU 10,000 up to 11,999; (i) \$7.46 per MR2 and MR1 product tanker vessel; (j) \$7.90 per LR2 and LR1 product tanker vessel; (k) \$10.55 per VLCC; and (l) at cost for specialized transhipper vessels.

The Management Agreements also provide for a technical and commercial management fee of \$0.05 per day per vessel and a management fee of \$0.55 per day per specialized transhipper vessel and an annual increase of 3% of the fixed daily fee after January 1, 2022 for the remaining period unless agreed otherwise.

Pursuant to the acquisition of the 36-vessel dry bulk fleet from Navios Holdings, which includes time charter-in vessels, Navios Partners and the Manager, on July 25, 2022, amended the Management Agreement to include a technical and commercial management fee of \$0.025 per time charter-in vessel per day.

The Management Agreements also provide for payment of a termination fee, equal to the fixed daily fees and other fees charged for the full calendar year preceding the termination date in the event the agreements are terminated on or before its term.

Drydocking expenses are reimbursed at cost for all vessels.

In August 2024, Navios Partners renewed its Management Agreements (the “Master Management Agreement”, together with the “Renewed Administrative Services Agreement” (as defined herein), the “Agreements”) with the Manager commencing January 1, 2025, for a term of ten years, renewing annually. The Conflicts Committee of the Board of Directors, consisting of independent directors, negotiated and approved the Agreements with the advice of Watson Farley & Williams LLP as legal advisor and KPMG Advisors Single Member S.A. (a member firm of the KPMG global organization of independent member firms) as financial advisor.

The Master Management Agreement provides for technical and commercial management and related specialized services based on fee structure, including: (i) a technical management fee of \$0.95 per day per owned vessel; (ii) a commercial management fee of 1.25% on revenues; (iii) an S&P fee of 1% on purchase or sales price; and (iv) fees for other specialized services (e.g. supervision of newbuilding vessels). Fixed fees will be adjusted annually for United States Consumer Price Index. The Master Management Agreement also allows for fixed incentive awards if equity returns exceed certain thresholds, as identified in such agreement, upon the unanimous consent of the Board of Directors of Navios Partners. The Master Management Agreement also provides for payment of a termination fee equal to the net present value of the technical and commercial management fees charged for the most recent calendar years, as set forth in the latest audited annual financial statements for the number of years remaining for the Master Management Agreement, using a 6% discount rate.

During the three and six month periods ended June 30, 2024 certain extraordinary fees and costs related to vessels’ regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation and other improvements under the Company’s Management Agreements, amounted to \$6,433 and \$10,284, respectively, and are presented under the caption “Acquisition of/ additions to vessels” in the condensed Consolidated Statements of Cash Flows.

During the three and six month periods ended June 30, 2023 certain extraordinary fees and costs related to vessels’ regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation and other improvements under the Company’s Management Agreements, amounted to \$14,154 and \$19,743, respectively, and are presented under the caption “Acquisition of/ additions to vessels” in the condensed Consolidated Statements of Cash Flows.

During the three and six month periods ended June 30, 2024, additional remuneration in accordance with the Company’s Management Agreements amounted to \$1,133 and \$1,524, respectively, related to superintendent attendances and claims preparation and are presented under the captions of “Direct vessel expenses” in the condensed Consolidated Statements of Operations, “Vessels, net”, “Deferred drydock and special survey costs, net” and “Prepaid expenses and other current assets” in the condensed Consolidated Balance Sheets.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

During the three and six month periods ended June 30, 2023, additional remuneration in accordance with the Company's Management Agreements amounted to \$1,439 and \$2,005, respectively, related to superintendent attendances and claims preparation and are presented under the captions of "Direct vessel expenses" in the condensed Consolidated Statements of Operations, "Vessels, net", "Deferred drydock and special survey costs, net" and "Prepaid expenses and other current assets" in the condensed Consolidated Balance Sheets.

During the three and six month periods ended June 30, 2024, certain extraordinary crewing fees and costs amounted to \$81 and \$215, respectively, and are presented under the caption of "Direct vessel expenses" in the condensed Consolidated Statements of Operations.

During the three and six month periods ended June 30, 2023, certain extraordinary crewing fees and costs amounted to \$997 and \$2,291, respectively, and are presented under the caption of "Direct vessel expenses" in the condensed Consolidated Statements of Operations.

Total vessel operating expenses for the three and six month periods ended June 30, 2024 amounted to \$85,271 and \$170,193, respectively.

Total vessel operating expenses for the three and six month periods ended June 30, 2023 amounted to \$82,550 and \$165,766, 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 provides for allocable general and administrative costs, the Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In August 2019, Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager until January 1, 2025, to be automatically renewed for another five years. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date in the event the Administrative Services Agreement is terminated on or before its term.

In August 2024, Navios Partners renewed its Administrative Services Agreement (the "Renewed Administrative Services Agreement") with the Manager commencing January 1, 2025, for a term of ten years, renewing annually. The Renewed Administrative Services Agreement provides for reimbursement of allocable general and administrative costs. The Renewed Administrative Agreement also provides for payment of a termination fee equal to the costs charged for the most recent calendar year, as set forth in the latest audited annual financial statements.

During the three and six month periods ended June 30, 2024, allocable general and administrative costs amounted to \$2,433 and \$4,882, respectively, and are presented under the captions of "Deposits for vessels acquisitions" and "Other long-term assets" in the condensed Consolidated Balance Sheets. During the three and six month periods ended June 30, 2023, allocable general and administrative costs amounted to \$957 and \$2,010, respectively, and are presented under the captions "Deposits for vessels acquisitions" and "Other long-term assets" in the condensed Consolidated Balance Sheets.

Total general and administrative expenses charged by the Manager for the three and six month periods ended June 30, 2024 amounted to \$15,770 and \$31,549, respectively. Total general and administrative expenses charged by the Manager for the three and six month periods ended June 30, 2023 amounted to \$15,755 and \$29,861, respectively.

Balance due from/ (to) related parties: Balance due from/ (to) related parties, short-term as of June 30, 2024 and December 31, 2023 amounted to \$27,551 and \$(32,026), respectively. Balance due from related parties, long-term as of June 30, 2024 and December 31, 2023 amounted to \$0 and \$39,570, respectively. The balances mainly consisted of administrative expenses, drydocking, extraordinary fees and costs related to regulatory requirements including ballast water treatment system, other expenses, as well as fixed vessel operating expenses, in accordance with the Management Agreements and are presented under the captions "Amounts due from related parties" and "Amounts due to related parties" in the condensed Consolidated Balance Sheets.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

In October 2023, Navios Partners entered into a time charter agreement with a subsidiary of its affiliate Navios South American Logistics Inc. for the Navios Vega, a 2009-built transhipper vessel. The vessel was delivered during the first quarter of 2024. The term of this time charter agreement is approximately five years, at a rate of \$25.8 net per day and for the three and six month periods ended on June 30, 2024, the amounts of \$2,334 and \$3,313, respectively, are presented under the caption “Time charter and voyage revenues” in the condensed Consolidated Statements of Operations. This transaction was negotiated with, and unanimously approved by, the conflicts committee of Navios Partners. As of June 30, 2024, balance due from the above mentioned related party company amounted to \$2,233, is presented under the caption “Amounts due from related parties” in the condensed Consolidated Balance Sheets and has been received in August 2024.

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 dry bulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize dry bulk 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.

General partner: Olympos Maritime Ltd., an entity affiliated with our Chairwoman and Chief Executive Officer, Angeliki Frangou, is the holder of Navios Partners’ general partner interest.

NOTE 12 – CASH DISTRIBUTIONS AND EARNINGS PER UNIT

The amount of distributions paid by Navios Partners and the decision to make any distribution is determined by the Company’s Board of Directors and will depend on, among other things, Navios Partners’ cash requirements as measured by market opportunities and restrictions under its credit agreements and other debt obligations and such other factors as the Board of Directors may deem advisable. There is no guarantee that the Company will pay the quarterly distribution on the common units in any quarter. The Company is prohibited from making any distributions to unitholders if it would cause an event of default, or an event of default exists, under its existing credit facilities.

There are incentive distribution rights held by Navios GP L.L.C., which are analyzed as follows:

	Total Quarterly Distribution Target Amount	Marginal Percentage Interest in Distributions		
		Common Unitholders	Incentive Distribution Right Holder	General Partner
Minimum Quarterly Distribution	up to \$5.25	98 %	—	2 %
First Target Distribution	up to \$6.0375	98 %	—	2 %
Second Target Distribution	above \$6.0375 up to \$6.5625	85 %	13 %	2 %
Third Target Distribution	above \$6.5625 up to \$7.875	75 %	23 %	2 %
Thereafter	above \$7.875	50 %	48 %	2 %

The first 98% of the quarterly distribution is paid to all common unitholders. The incentive distributions rights (held by Navios GP L.L.C.) apply only after a minimum quarterly distribution of \$6.0375 per unit.

In January 2023, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2022 of \$0.05 per unit. The distribution was paid on February 14, 2023 to all unitholders of common units and general partnership units of record as of February 10, 2023. The aggregate amount of the declared distribution was \$1,540.

In April 2023, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2023 of \$0.05 per unit. The distribution was paid on May 12, 2023 to all unitholders of common units and general partnership units of record as of May 9, 2023. The aggregate amount of the declared distribution was \$1,540.

In February 2024, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2023 of \$0.05 per unit. The distribution was paid on February 14, 2024 to all unitholders of

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

common units and general partnership units of record as of February 12, 2024. The aggregate amount of the declared distribution was \$1,540.

In April 2024, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2024 of \$0.05 per unit. The distribution was paid on May 14, 2024 to all unitholders of common units and general partnership units of record as of May 10, 2024. The aggregate amount of the declared distribution was \$1,540.

In July 2024, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2024 of \$0.05 per unit. The distribution was paid on August 14, 2024 to all unitholders of common units and general partnership units of record as of August 9, 2024. The aggregate amount of the declared distribution was \$1,531.

Navios Partners calculates earnings per unit by allocating reported net income 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 per common unit is determined by dividing net income 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 partnership units on a 98%-2% basis. There were no options or phantom units outstanding during each of the six month periods ended June 30, 2024 and 2023.

The calculations of the basic and diluted earnings per unit are presented below.

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Net income	\$ 101,469	\$ 112,308	\$ 174,830	\$ 211,473
Income attributable to:				
Common unitholders	\$ 99,439	\$ 110,062	\$ 171,333	\$ 207,245
Weighted average units outstanding basic				
Common unitholders	30,162,905	30,183,387	30,173,646	30,183,387
Earnings per unit basic:				
Common unitholders	\$ 3.30	\$ 3.65	\$ 5.68	\$ 6.87
Weighted average units outstanding diluted				
Common unitholders	30,162,905	30,184,388	30,173,646	30,184,388
Earnings per unit diluted:				
Common unitholders	\$ 3.30	\$ 3.65	\$ 5.68	\$ 6.87
Earnings per unit distributed basic:				
Common unitholders	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10
Earnings per unit distributed diluted:				
Common unitholders	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10

Potential common units of 0 and 1,001 for the six month periods ended June 30, 2024 and 2023, respectively, are included in the calculation of earnings per unit diluted.

NOTE 13 – LEASES

Time charter out contracts and pooling arrangements

The Company's contract revenues from time chartering, bareboat chartering and pooling arrangements are governed by ASC 842.

Operating Leases

A discussion of the Company's operating leases can be found in Note 20 – Leases to the Company's consolidated financial statements included in the Annual Report.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

Based on management estimates and market conditions, the lease term of the leases is being assessed at each balance sheet date. At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment. The Company then applies the respective incremental borrowing rate based on the remaining lease term of the specific lease. Navios Partners' incremental borrowing rates were approximately 7% for the Navios Libra and the Nave Celeste, 5% for the Navios Amitie and the Navios Star, 6% for the Baghdad and the Erbil, and 4% for the Nave Electron.

As of June 30, 2024 and December 31, 2023, the outstanding balance of the operating lease liability amounted to \$253,022 and \$270,738, respectively, and is presented under the captions "Operating lease liabilities, current portion" and "Operating lease liabilities, net" in the condensed Consolidated Balance Sheets. Right-of-use assets amounted to \$255,847 and \$270,969 as at June 30, 2024 and December 31, 2023, respectively, and are presented under the caption "Operating lease assets" in the condensed Consolidated Balance Sheets.

The Company recognizes the lease payments for its operating leases as charter hire expenses on a straight-line basis over the lease term. Lease expense incurred and paid for the three and six month periods ended June 30, 2024 amounted to \$10,936 and \$22,982, respectively. Lease expense incurred and paid for the three and six month periods ended June 30, 2023 amounted to \$17,418 and \$34,751, respectively. Lease expense is presented under the caption "Time charter and voyage expenses" in the condensed Consolidated Statements of Operations.

For the three and six month periods ended June 30, 2024, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$18,996 and \$35,829, respectively. For the three and six month periods ended June 30, 2023, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$22,746 and \$43,120, respectively. Sublease income is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

As of June 30, 2024, the weighted average useful life of the remaining operating lease terms was 8.7 years.

The table below provides the total amount of lease payments for the next five 12-month periods ending June 30 on an undiscounted basis on the Company's chartered-in contracts as of June 30, 2024:

Period	Amount
2025	\$ 38,372
2026	38,340
2027	37,891
2028	37,312
2029	36,632
2030 and thereafter	131,260
Total	\$ 319,807
Operating lease liabilities, including current portion	\$ 253,022
Discount based on incremental borrowing rate	\$ 66,785

Finance Leases

For a detailed description of the finance lease liabilities and right-of-use assets for vessels under finance leases, refer to (i) Note 6 – Borrowings and Note 4 – Vessels, net, respectively; and (ii) Note 11 – Borrowings and Note 7 – Vessels, net, respectively, to the Company's consolidated financial statements included in the Annual Report.

For the three and six month periods ended June 30, 2024, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$23,181 and \$46,140, respectively. For the three and six month periods ended June 30, 2023, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$22,080 and \$39,865, respectively. Sublease income is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

As of June 30, 2024, the weighted average useful life of the remaining finance lease terms was 8.3 years.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

The table below provides the total amount of lease payments and options to acquire vessels for the next five 12-month periods ending June 30 on an undiscounted basis under the Company's finance leases as of June 30, 2024:

Period	Amount
2025	\$ 154,762
2026	36,753
2027	36,307
2028	35,997
2029	35,557
2030 and thereafter	311,545
Total	\$ 610,921
Finance lease liabilities, including current portion (see Note 6 – Borrowings)	\$ 444,901
Discount based on incremental borrowing rate	\$ 166,020

Bareboat charter-out contract

Subsequently to the bareboat charter-in agreement, the Company entered into bareboat charter-out agreements for a firm charter period of ten years for the Baghdad and the Erbil and an extra optional period of five years, for both vessels, and for a firm period of up to two-years, extended for an additional period of five years for the Nave Celeste. The Company performed also an assessment of the lease classification under the ASC 842 and concluded that the agreements are operating leases.

The Company recognizes in relation to the operating leases for the bareboat charter-out agreements the bareboat charter-out hire income in the condensed Consolidated Statements of Operations on a straight-line basis. For the three and six month periods ended June 30, 2024, the charter hire income (net of commissions, if any) amounted to \$8,465 and \$16,530, respectively. For the three and six month periods ended June 30, 2023 the charter hire income (net of commissions, if any) amounted to \$8,065 and \$16,042, respectively. Charter hire income (net of commissions, if any) is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

NOTE 14 – INTEREST EXPENSE AND FINANCE COST, NET

Interest expense and finance cost, net for the three and six month periods ended June 30, 2024 and 2023 consisted of the following:

	Three Month Period Ended June 30, 2024 (unaudited)	Three Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2024 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)
Interest expense incurred on credit facilities and financial liabilities	\$ 26,842	\$ 28,256	\$ 52,789	\$ 56,235
Interest expense incurred on finance lease liabilities	7,783	7,457	15,817	12,622
Interest expense capitalized related to deposits for vessel acquisitions	(6,500)	(5,029)	(12,637)	(8,793)
Amortization of finance charges and other finance costs	2,131	2,825	3,873	5,742
Discount effect of long-term assets	(169)	(179)	(346)	3,048
Total interest expense and finance cost, net	\$ 30,087	\$ 33,330	\$ 59,496	\$ 68,854

Interest expense incurred on deposits for vessels acquisitions was initially capitalized under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except unit and per unit data)

NOTE 15 – SUBSEQUENT EVENTS

In July 2024, Navios Partners took delivery of the Zim Falcon and the Zim Pelican, two 2024-built 5,300 TEU Containerships (See Note 10 – Commitments and contingencies).

In July and August 2024, Navios Partners agreed to sell two 2009-built MR2 Product Tanker vessels of 50,542 dwt and 50,470 dwt, respectively, a 2005-built Post-Panamax vessel of 87,052 dwt and a 2006-built Kamsarmax vessel of 82,790 dwt, to unrelated third parties, for aggregate gross sale proceeds of \$78,480. The sale of the 2005-built Post-Panamax vessel of 87,052 dwt was completed on August 26, 2024 and the sales of the remaining three vessels are expected to be completed during the second half of 2024. The aggregate gain on sale of the above vessels is expected to be approximately \$29,752.

In July and September 2024, Navios Partners acquired from unrelated third parties, the Navios Citrine, a previously chartered-in 2017-built Kamsarmax vessel of 81,626 dwt, the Navios Dolphin, a previously chartered-in 2017-built Kamsarmax vessel of 81,630 dwt and the Navios Amber, a previously chartered-in 2015-built Kamsarmax vessel of 80,994 dwt, for an aggregate purchase price of \$88,044.

In August 2024, Navios Partners took delivery of the Nave Polaris, a 2024-built Aframax/LR2 vessel of 115,699 dwt and the Zim Seagull, a 2024-built 5,300 TEU Containership (See Note 10 – Commitments and contingencies).

SIGNATURES

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

NAVIOS MARITIME PARTNERS L.P.

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

Date: September 12, 2024

MASTER MANAGEMENT AGREEMENT

THIS MASTER AGREEMENT (this “Agreement”) is effective as of January 1, 2025 (the “Effective Date”) and is entered into by and between:

(1) Navios Maritime Partners L.P., a Marshall Islands limited partnership (“NMM”), on its own account and as agent for and on behalf of the current and future NMM Owners (as defined below) and other Affiliates (as defined below); and

(2) Navios Shipmanagement Inc., a Marshall Islands corporation, including subsidiaries of Navios Shipmanagement Holdings Corporation (collectively “NSM”),

each a “Party” and together the “Parties”.

WHEREAS:

- A. NMM is a limited partnership holding company, certain subsidiaries of which, the NMM Owners, own and charter certain vessels.
- B. NSM has knowledge and expertise in the commercial and technical management of vessels.
- C. In reliance on that knowledge and expertise, NMM and the NMM Owners wish to engage NSM to provide the Services (as defined below) subject to, and in accordance with, the terms and conditions of this Agreement and the Management Agreements (as defined below).

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter provided, **IT IS HEREBY AGREED** between the Parties as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires the following expressions shall have the following meanings:

“Agreement” has the meaning given in the preamble.

“Affiliate” shall mean for each Party, any person and/or entity which, directly, or indirectly, through one or more intermediaries, control, is controlled by or is under common control with the specified party, where,

“control” means the possession, directly or indirectly, of the ownership of voting securities in excess of 50%.

“Change of Control” means:

- (a) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, other than in the ordinary course of business, of all or substantially all of the assets of NMM or its subsidiaries, taken as a whole, to any natural or legal person or persons other than a Permitted Person;
- (b) any event in which securities of any class entitling the holders thereof to elect a majority of the members of the board of directors or other similar governing body of NMM are acquired, directly or indirectly, by a “person” or “group” (within the

meaning of Sections 13(d) or 14(d)(2) of the United States Securities Exchange Act of 1934, as amended) other than a Permitted Person;

- (c) an order made for, or the adoption by the board of directors or other similar governing body of a plan of, liquidation, dissolution or deregistration of NMM; or
- (d) a change in the members of the board of directors or other similar governing body resulting in the membership ceasing to consist of a majority of directors who were nominated by, appointed by or otherwise elected with the approval of the current board members at the time of such election by a Permitted Person.

For clarity, whether any sale, lease, transfer, conveyance or other disposition of properties or assets in connection with any acquisition (including any acquisition by means of a merger or consolidation with or into NMM or any subsidiary), the determination of whether such sale, lease, transfer, conveyance or disposition constitutes a sale of all or substantially all of the properties or assets of NMM and its subsidiaries taken as a whole shall be made on a pro forma basis giving effect to such acquisition.

"Existing Agreements" means the management agreement originally entered into between NMM and NSM on 16 November 2007, as amended, the management agreement originally entered into between Navios Maritime Containers Inc and NSM on 7 June 2017, as amended, and the management agreement originally entered into between Navios Maritime Acquisition Corporation and NSM on 28 May 2010 and subsequently assigned by NSM to Navios Tankers Management Inc, as amended.

"Group Services" means the services provided by NSM pursuant to this Agreement, excluding any Management Services, including services as set out in Schedule D, services connected with the sale & purchase of vessels, with other projects, and all other services NMM and NSM may agree from time to time.

"Management Agreement" or "Management Agreements" has the meaning given in Clause 4.1.

"Management Services" means the means the technical and/or commercial services to be provided by NSM to the NMM Owners pursuant to this Agreement and the Management Agreements.

"NMM" has the meaning given in the preamble.

"NMM Owner" or "NMM Owners" means all current and future subsidiaries of NMM which from time to time own, bareboat charter or time charter vessels, or are preparing to do so, including as of the date of this Agreement the entities set out in Schedule A, each of which owns or charters the vessel(s) set out opposite its name in Schedule A.

"NSM" has the meaning given in the preamble.

"Party" or "Parties" has the meaning given in the preamble.

"Permitted Person" means Angeliki Frangou or her direct descendants, either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary), or any of her affiliates including their successors and assigns.

"Person" means any individual, firm, corporation, stock company, limited liability company, trust, partnership, limited liability partnership, association, joint venture or business, whether or not having legal personality.

“Reimbursable Costs” has the meaning given in Schedule D.

“Services” means the Management Services and the Group Services to be provided by NSM pursuant to this Agreement and the Management Agreements.

“Services Budget” means, in relation to any period, the budgetary estimate for the Services to be provided during that period as the same may be agreed and amended between the Parties from time to time (or, in the absence of agreement, as reasonably determined by NSM).

“SOFR” means, for any day, the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any successor administrator) for such day, as provided on the New York Fed’s Website. Where, in respect of any day, SOFR (i) is negative, SOFR shall be deemed to be zero or (ii) is not published on that day, SOFR from the last day of publication shall apply to such day.

“Subcontracted Vessels” means all Vessels subcontracted under clause 12.1.

“TC-in Vessels” means all Vessels time chartered by an NMM Owner.

“Vessel” or “Vessels” means all vessels, dry bulk, containers and tankers owned or chartered in on bareboat or time charter basis by an NMM Owner from time to time, including as at the date of this agreement the vessels listed in Schedule A.

- 1.2 The headings in this Agreement are for ease of reference and do not limit or otherwise affect the meaning hereof.
- 1.3 All the terms of this Agreement, whether so expressed or not, shall be binding upon the Parties and their respective successors and permitted assigns.
- 1.4 In the event of any conflict between this Agreement and any individually negotiated terms of a Management Agreement, the provisions of the Management Agreement shall prevail.
- 1.5 Unless the context otherwise requires, words in the singular include the plural and *vice versa*.
- 1.6 The words “include”, “includes” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation” and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it.
- 1.7 Any reference to an enactment shall be deemed to include reference to such enactment as re-enacted, amended, consolidated or extended from time to time.
- 1.8 Any reference to (or to any specified provision of) this Agreement or any other document shall be construed as reference to this Agreement, that provision or that document as in force for the time being and as amended in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties.
- 1.9 The Recitals form part of this Agreement. Any reference to a “Recital”, “Clause” or “Schedule” shall (unless otherwise stated) be construed as reference to a Recital or Clause of, or Schedule to, this Agreement and references to this Agreement includes its Recitals and Schedules.

1.10 The contract construction doctrine of *ejusdem generis* shall not apply to this Agreement.

2 APPOINTMENT OF NSM

2.1 From the Effective Date of this Agreement and continuing until terminated as provided herein, NMM hereby appoints NSM as agent for and on behalf of it, the NMM Owners and any other relevant Affiliates of NMM, to perform the Services.

2.2 The Services shall be performed by NSM and each NMM Owner entering into a Management Agreement pursuant to Clause 4 below. NMM shall procure that all NMM Owners enter into a Management Agreement and shall notify NSM promptly of any intended purchase by (or delivery or charter to) any NMM Affiliate.

2.3 NSM shall provide the Services, in a commercially reasonable manner, as NMM may from time to time direct, all under the supervision of NMM. NSM shall perform the Services to be provided hereunder in accordance with sound ship management practice and within the limits of authority delegated to it under this Agreement and the Management Agreements.

2.4 NMM, the NMM Owners and NSM each hereby agree that, in the performance of this Agreement and any Management Agreement, NSM is acting solely on behalf of, and for the account of, NMM or the relevant NMM Owners or other Affiliates of NMM. NSM may advise persons with whom it deals that it is conducting such business for, and on behalf of, NMM or the relevant NMM Owners or other Affiliates of NMM.

2.5 Nothing in this Agreement shall be deemed to establish any partnership or joint venture between NMM and NSM (or any of their respective Affiliates).

3 COVENANTS

3.1 During the Term of this Agreement NSM shall:

3.1.1 diligently provide or subcontract for the provision of (in accordance with Section 12 hereof) the Services to NMM and/or the NMM Owners as an independent contractor, and be responsible to NMM, NMM Owners or other relevant NMM Affiliates for the due and proper performance of the same subject to the terms and conditions contained herein;

3.1.2 procure professional liability insurance in an amount equal to United States Dollars five million (US\$5,000,000) from financially sound insurers;

3.1.3 retain at all times qualified staff so as to maintain a level of expertise sufficient to provide the Services; and

3.1.4 keep full and proper books, records and accounts showing clearly all transactions relating to its provision of Services in accordance with established general commercial practices and in accordance with United States generally accepted accounting principles.

4 MANAGEMENT AGREEMENTS

4.1 With respect to each Vessel, NSM and the relevant NMM Owner shall enter into a contract in the form attached as Schedule B or, in the case of a TC-in Vessel or Subcontracted vessel, in the form attached as Schedule C (each a “**Management Agreement**” and, collectively, the “**Management Agreements**”).

4.2 NSM and the NMM Owner shall agree the indexes and any other alterations and additions to the forms attached in Schedule B and Schedule C before entering into the Management

Agreement. In the absence of such other agreement at least 30 days prior to the expected delivery to the NMM Owner under the relevant shipbuilding contract, memorandum of agreement, charterparty or other relevant agreement, the applicable terms shall be the Management Agreement with only logical amendments and necessary insertions as reasonably determined by NSM.

- 4.3 For the Vessels listed in Schedule A, the Management Agreement shall be effective from the Effective Date Agreement and the current vessel budgets under the Existing Agreements shall be the initial budget under each Management Agreement.
- 4.4 NSM and the relevant NMM Owner shall be deemed to have entered into a Management Agreement on the above terms in respect of each Vessel irrespective of whether a completed Management Agreement is drawn-up and signed.
- 4.5 NMM guarantees the performance of the NMM Owners' obligations in accordance with this Agreement and all Management Agreements entered into pursuant to it, each as may be amended or supplemented from time to time with or without notice to or consent from NMM.

5 NON-EXCLUSIVITY

- 5.1 NSM may provide services of a nature similar to the Services to any other person. There is no obligation for NSM to provide the Services to NMM and its Affiliates on an exclusive basis.

6 CONFIDENTIAL INFORMATION

- 6.1 NSM shall be obligated to keep confidential, both during and after the term of this Agreement, all information it has acquired or developed in the course of providing the Services under this Agreement ("**Confidential Information**"), except to the extent that disclosure of such information is required by applicable law. NMM shall be entitled to any equitable remedy available at law or in equity, including specific performance, against a breach by NSM of this obligation. NSM shall not resist such application for relief on the basis that NMM has an adequate remedy at law, and NSM shall waive any requirement for the securing or posting of any bond in connection with such remedy.
- 6.2 Notwithstanding the foregoing, 'Confidential Information' shall not include any information which: (a) was public knowledge at the time of the disclosure, or, which subsequently became public knowledge other than as a result of a breach of this Agreement; (b) NSM can show was made available to it by some other Person who had a right to do so and who was not subject to any obligation of confidentiality or restricted use regarding such information; or (c) was developed by NSM without use of any confidential information provided hereunder, or by a third party in breach of its confidentiality obligations.

7 FUNDING, FEES AND REIMBURSEMENT OF COSTS AND EXPENSES

- 7.1 In consideration for NSM providing the Services:
 - 7.1.1 NMM and the NMM Owners shall pay NSM the fees and Reimbursable Costs as set out in Schedule D to this Agreement.
 - 7.1.2 Fees and estimated Reimbursable Costs shall be paid monthly in advance based on the Services Budget.

- 7.1.3 NMM undertakes to fund NSM with an advance payment equal to forty-five (45) days of operating expenses for the Vessels based on the Vessels' agreed budgets (the "Advance Fund"), in addition to the monthly payment of estimated Reimbursable Costs. This Advance Fund shall on request be replenished and topped-up as required from time to time, including after payments of Reimbursable Costs, or if new Vessels enter into a Management Agreement and when the new budgets are set for the Vessels.
- 7.1.4 NSM shall be entitled to appropriate any funds it holds to the credit of NMM or the NMM Owners under the Existing Agreement as of the date of this Agreement for the purpose of the payments in Clauses 7.1.1 and 7.1.2 and shall raise any invoice for any balance outstanding.
- 7.2 NMM and the relevant NMM Owner shall be jointly and severally liable for paying all fees due to NSM in connection with the services provided to such NMM Owner, and to reimburse NSM for costs and expenses incurred by NSM under each Management Agreement. NSM shall have the right to issue a single invoice for all amounts due in a month and to apply all funds received from NMM to the Reimbursable Costs attributable to any of the NMM Owners. NSM will provide NMM and the NMM Owners such supporting detail as may be reasonably required to validate such Reimbursable Costs and other amounts due.
- 7.3 Notwithstanding any other provision of this Agreement, NSM shall in no circumstances be required to use or commit any funds beyond those already transferred under Clause 7.1.2 and 7.1.3 to finance the payment of any Reimbursable Costs.
- 7.4 If any amount due to NSM under this Agreement other than pursuant to Clause 10.2 is not paid within 30 days by its due date, NMM shall pay interest on the overdue sum from the due date until payment of the overdue sum. Interest under this Clause shall accrue on a day-to-day basis at the rate per annum equal to SOFR plus five percent (5%).

8 FORCE MAJEURE AND INDEMNITY

- 8.1 NSM shall not be liable for any failure to perform its obligations hereunder by reason of any of the following force majeure events provided NSM has made all reasonable efforts to avoid, minimize or prevent the effect of such event:
- (a) acts of God;
 - (b) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
 - (c) riots, civil commotion, blockades or embargoes;
 - (d) epidemics;
 - (e) earthquakes, landslides, floods or other extraordinary weather conditions;
 - (f) fire, accident, explosion, except where caused by the negligence of the party seeking to invoke force majeure;
 - (g) government requisition;
 - (h) strikes, lockouts or other industrial action, unless limited to the employees (which shall not in respect of NSM, include the crew) of the party seeking to invoke force majeure; or
 - (i) any other similar cause beyond the reasonable control of either party.

- 8.2 Without prejudice to sub-clause 8.1 above, NSM shall be under no liability whatsoever to NMM or the NMM Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessels) as incurred and howsoever arising in the course of performance of the Services, unless and to the extent that such loss, damage, delay or expense is proved to have resulted solely from the fraud, gross negligence or willful misconduct of NSM or their employees, agents or sub-contractors in connection with the Vessels, in which case (save where such loss, damage, delay or expense has resulted from NSM's personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) NSM's liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of US\$3,000,000.
- 8.3 Notwithstanding anything that may appear to the contrary in this Agreement, NSM shall not be responsible for any of the actions of the crew of the Vessels even if such actions are fraudulent, negligent, grossly negligent or willful.
- 8.4 Except to the extent and solely for the amount therein set out that NSM would be liable under sub-clause 8.2, NMM and the NMM Owners shall indemnify and hold harmless NSM and its employees, agents and sub-contractors against all actions, proceedings, claims, demands or liabilities whatsoever and howsoever arising which may be brought against them arising out of, relating to or based upon this Agreement including, without limitation, all actions, proceedings, claims, demands or liabilities brought under or relating to the environmental laws, regulations or conventions of any jurisdiction ("Environmental Laws"), or otherwise relating to pollution or the environment, and against and in respect of all costs and expenses (including legal costs and expenses on a full indemnity basis) they may suffer or incur in the course of the performance of this Agreement; provided however that such indemnity shall exclude any and all losses, actions, proceedings, claims, demands, costs, damages, expenses and liabilities whatsoever which may be caused by or due to the fraud, gross negligence or willful misconduct of NSM or its employees or agents.
- 8.5 Without prejudice to the general indemnity set out in this Clause 8, NMM and the NMM Owners hereby undertakes to indemnify NSM, their employees, agents and sub-contractors against all taxes, imposts and duties levied by any government as a result of the operations of NMM, the NMM Owners or the Vessels, whether or not such taxes, imposts and duties are levied on NMM, the NMM Owners, the Vessels or NSM. For the avoidance of doubt, such indemnity shall not apply to taxes imposed on amounts paid to NSM as consideration for the performance of Services under this Agreement. NMM and the NMM Owners shall pay all taxes, dues or fines imposed on the Vessels or NSM as a result of the operation of the Vessels.
- 8.6 It is hereby expressly agreed that no employee or agent of NSM (including any sub-contractor from time to time employed by NSM) shall in any circumstances whatsoever be under any liability whatsoever to NMM or the NMM Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 8, every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defense and immunity of whatsoever nature applicable to NSM or to which NSM are entitled hereunder shall also be available and shall extend to protect every such employee or agent of NSM acting as aforesaid.

8.7 NMM and the NMM Owners acknowledges that it is aware that NSM is unable to confirm that the Vessels, their systems, equipment and machinery are free from defects, and agrees that NSM shall not under any circumstances be liable for any losses, costs, claims, liabilities and expenses which NMM or the NMM Owners may suffer or incur resulting from pre-existing or latent deficiencies in the Vessels, their systems, equipment and machinery.

8.8 The provisions of this Clause 8 shall remain in force notwithstanding termination of this Agreement or the Management Agreements.

9 TERM AND TERMINATION

9.1 This Agreement shall always have a term of ten (10) years, such that without any further act or formality on the part of either Party, on each anniversary of the Effective Date, the remaining nine (9) year term shall be extended by one (1) year, unless terminated by either Party in accordance with this Section 9 (the "**Term**").

9.2 This Agreement may be terminated:

9.2.1 by NSM, if there is a Change of Control of NMM;

9.2.2 by either Party if:

- (a) the other Party breaches this Agreement in any material respect which remains unremedied within ninety (90) days of the date of receipt of any written notice specifying the breach.
- (b) a receiver is appointed for all or substantially all of the property of the other Party;
- (c) an order is made to wind-up the other Party;
- (d) a final judgment, order or decree which materially and adversely affects the ability of the other party to perform this Agreement shall have been obtained or entered against the other Party and such judgment, order or decree shall not have been vacated, discharged or stayed; or
- (e) the other Party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or for liquidation, is adjudged insolvent or bankrupt, commences any proceeding for a reorganization or arrangement of debts, dissolution or liquidation under any law or statute or of any jurisdiction applicable thereto, or if any such proceeding shall be commenced.

9.2.3 at any time after the first anniversary, by either Party upon not less than three hundred and sixty-five (365) days' written notice for any reason other than any of the reasons set out above.

10 CONSEQUENCES OF TERMINATION

10.1 Upon termination of this Agreement:

10.1.1 The Management Agreements are to also be terminated with immediate effect, save that if the Agreement is being terminated by NSM, NSM may elect to continue to perform the Management Services for any Vessels against payment on the terms of the Management Agreements until a prompt, orderly handover can be arranged.

- 10.1.2 Save as required to complete an orderly handover, NSM shall forthwith surrender to NMM any and all books, records, documents and other property in the possession or control of NSM relating to this Agreement and to the business, finance, technology, trademarks or affairs of NMM and its Affiliates and, except as required by law (including securities laws and regulations) or for accounting purposes, shall not retain any copies of same.
- 10.1.3 Save for any further adjustment in relation to continued services before an orderly handover, any overpayment shall forthwith be refunded to NMM and any underpayment shall forthwith be paid to NSM.
- 10.2 Where this Agreement is terminated for any reason other than a material breach by NSM, NMM shall, within fifteen (15) days of termination, pay to NSM a termination fee equal to the net present value of the total aggregate technical and commercial management fees paid to NSM by NMM and the NMM Owners, for the fiscal year (excluding any discretionary incentive award), as set forth in the latest audited annual financial statements publicly available at the time of termination, times the number of the years constituting the remaining duration of the contract, and calculated using a six percent (6%) discount rate for the remaining duration of this Agreement.

11 BUDGETS

- 11.1 During the term of this Agreement, NSM shall prepare and submit to NMM updates to the Services Budget as and when required.
- 11.2 NSM shall have discretion to incur Reimbursable Costs notwithstanding that the relevant item or amount is not covered by the Services Budget.

12 SUB-CONTRACTING AND ASSIGNMENT

- 12.1 NSM shall not assign its duties and/or obligations under this Agreement or the Management Agreements to any party that is not a subsidiary or Affiliate of NSM, without the prior written consent of NMM, such consent not to be unreasonably withheld, conditioned or delayed. Without prejudice to the foregoing, NSM may freely sub-contract or sub-license this Agreement, without the prior written consent of NMM, provided that it shall remain liable (subject to the exclusions and limitations of liability in favour of NSM in this Agreement) for the due performance of the Services and any of its obligations under this Agreement or the Management Agreements.
- 12.2 The rights and obligations of NMM hereunder may not be assigned or transferred without the prior written consent of NSM.
- 12.3 Notwithstanding the foregoing and anything else contained herein or in the Management Agreements, this Agreement, the Management Agreements and any interest therein may be assigned by the NMM or the NMM Owners in connection with the financing of any Vessel, always provided that such financing is not in contravention of any laws, regulations or sanctions which NSM may be subject to. NSM or its Affiliates, as applicable, shall sign any acknowledgement of assignment or undertaking reasonably requested by NMM or the NMM Owners in relation to the financing of any Vessel.

13 LAW AND DISPUTE RESOLUTION

- 13.1 This Agreement and any non-contractual obligations arising out of, or in connection with, it shall be governed by, and construed in accordance with, the laws of England and Wales 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 Section. The seat of the arbitration shall be England, even where the hearing takes place outside England.

- 13.2 The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- 13.3 The reference shall be to three arbitrators, one to be appointed by each party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. 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 in the notice, 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 arbitrator had been appointed by agreement.
- 13.4 In any dispute involving NSM, NMM and at least one NMM Owner, NMM and the NMM Owners shall jointly appoint an arbitrator as if they were a single party.
- 13.5 Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

14 NOTICES

- 14.1 Any notice, consent or request to be given to a Party pursuant to this Agreement shall be in writing and delivered (via hand delivery or facsimile) as follows:

- (a) If respect of notices to NMM or an NMM Owner:

C/O Navios Maritime Partners L.P.
85 Akti Miaouli Street
Piraeus, Greece 185 38
Attn: Mrs. Erifyli Tsironi

etsironi@Navios.com
legal_corp@Navios.com

Fax: +(30) 210 453-2070

- (b) In respect of notices to NSM:

85 Akti Miaouli Street
Piraeus, Greece 185 38
Attn: Angeliki Tsakanikas

Email: atsakanika@navios.com,
legal_corp@Navios.com

With a copy to (which shall not constitute notice):

85 Akti Miaouli Street
Piraeus, Greece 185 38
Attn: Legal Corp. Dpt.
Fax: +(30) 210 417-2070

or to such other address as the relevant Party may from time to time designate by notice in writing in accordance with this Clause 14.

14.2 All notices shall be deemed to take effect on the day of delivery, provided such notice is received before 17:00 hours (local time) on a Business Day and if not, the next business day.

15 ENTIRE AGREEMENT

15.1 This Agreement and the other agreements referred to in it constitutes the entire agreement between NMM and NSM with respect to the subject matter hereof and supersedes all prior negotiations, representations, warranties, agreements or understandings, either written or oral, with respect thereto. Each Party acknowledges that, in entering into this Agreement, it does not rely on, and shall have no remedy in respect of, any statement, representation, assurance, warranty or promise of any Person other than as expressly set out in this Agreement or an agreement referred to in it and it unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation thereto. Nothing in this Agreement operates to limit or exclude any liability for fraud or fraudulent misrepresentation.

15.2 This agreement replaces and supersedes the Existing Agreements which shall come to an end on the Effective Date of this Agreement, provided, however that this shall not affect the rights and obligations of the Parties under the Existing Agreements which have accrued on or prior to this Agreement and that any provision of the Existing Agreement that expressly or by implication or by its nature is intended to continue in force on or after termination of this Agreement shall remain in full force and effect.

15.3 The Parties each warrants and represents to the other that it is authorised by the other parties to the Existing Agreements to agree to all terms of this Agreement that expressly or by necessary implication affects the Existing Agreements.

16 AMENDMENTS TO AGREEMENT

16.1 NSM reserves the right to make such changes to this Agreement or the Management Agreements as it shall consider necessary in its reasonable judgement to take account of regulatory changes which come into force after the date hereof and which affect the operation of the Vessels. Such changes will be conveyed in writing to NMM and will come into force on intimation or on the date on which such regulatory or other changes come into effect (whichever shall occur first). Notwithstanding the foregoing, any changes under this Section 16 which materially increase the costs to NMM or any NMM Owner shall require the consent of NMM, such consent not to be unreasonably withheld.

17 COUNTERPARTS

17.1 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and together shall constitute a single instrument.

18 SEVERABILITY

18.1 The provisions of this Agreement shall be deemed independent and severable, and the invalidity, unenforceability or partial invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof. The Parties agree to substitute, for any invalid or unenforceable provision, a valid and enforceable provision which achieves to the greatest possible extent, the economic, legal and commercial objectives of the invalid or unenforceable provision.

19 SURVIVAL

19.1 The termination of this Agreement after the Effective Date shall not affect the rights and obligations of the Parties which have accrued on or prior to, or arise in consequence of, such termination; provided that any provision of this Agreement that expressly or by implication or by its nature is intended to come into or continue in force on or after termination of this Agreement shall remain in full force and effect.

20 VARIATIONS AND WAIVER OF RIGHTS

20.1 No variation of this Agreement shall be effective unless made in writing, signed by, or on behalf of, each of the Parties and expressed to be such a variation.

20.2 No failure or delay by either Party or time or indulgence given in exercising any remedy or right under or in relation to this Agreement shall operate as a waiver of the same, nor shall any single or partial exercise of any remedy or right preclude any further exercise of the same or the exercise of any other remedy or right.

20.3 No waiver by either Party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such Party. No waiver of any particular breach of the provisions of this Agreement shall operate as a waiver of any repetition of such breach.

21 RIGHTS OF THIRD PARTIES

21.1 Save as otherwise expressly provided in this Agreement, no provisions of this Agreement which confer rights upon any Person who is not a party to this Agreement shall be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any such Person.

21.2 This Agreement (including, without limitation, this Clause 21) may be terminated, rescinded, or varied in any way by NMM and NSM without the consent of any other Person who may be expressly entitled to the benefit of any provision of this Agreement.

22 COSTS

22.1 Save as otherwise expressly provided in this Agreement or any agreement to be entered into pursuant hereto, each Party shall pay its own costs and expenses incurred in connection with the preparation, negotiation and execution of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS OF WHICH each of the Parties has caused this Agreement to be duly executed on the date first above written.

NAVIOS MARITIME PARTNERS L.P.

By: /s/ Erifyli Tsironi
Name: Erifyli Tsironi

Title: Chief Financial Officer

NAVIOS SHIPMANAGEMENT INC.

By: /s/ Angeliki Tsakanikas
Name: Angeliki Tsakanikas

Title: Treasurer/Director

SCHEDULE A – NMM OWNERS AND VESSELS

SHIPMAN 2024



STANDARD SHIP MANAGEMENT AGREEMENT

PART I

Vessel's name and IMO number (Annex A): [Relevant details to be inserted]

1. PLACE AND DATE OF AGREEMENT (CL. 35): PIRAEUS ON [DATE]
2. Date of commencement of Agreement (Cls. 2 and 30): [Relevant details to be inserted]
3. Owners (name, place of registered office and law of registry) (Cl. 1)
 - (i) Name: [Relevant details to be inserted]
 - (ii) Place of registered office: [Relevant details to be inserted]
 - (iii) Law of registry: [Relevant details to be inserted]
4. Managers (name, place of registered office and law of registry) (Cl. 1)
 - (i) Name: [Relevant details to be inserted]
 - (ii) Place of registered office: [Relevant details to be inserted]
 - (iii) Law of registry: [Relevant details to be inserted]
5. The Company (with reference to the ISM/ISPS Codes) (state name and IMO Unique Company Identification number. If the Company is a third party then also state registered office and principal place of business) (Cls. 1 and 9(c)(i))
 - (i) Name: [Relevant details to be inserted]
 - (ii) IMO Unique Company Identification number: [Relevant details to be inserted]
 - (iii) Place of registered office: [Relevant details to be inserted]
 - (iv) Principal place of business: [Relevant details to be inserted]
6. Technical Management (state "yes" or "no" as agreed) (Cl. 4): **Yes**
7. Crew Management (state "yes" or "no" as agreed) (Cl. 5(a)): **Yes**
8. Commercial Management (state "yes" or "no" as agreed) (Cl. 6): **Yes**
9. Chartering Services period (only to be filled in if "yes" stated in Box 8) (Cl. 6(a)): [No limit other than as advised by Owners]

10. Crew Insurance arrangements (state "yes" or "no" as agreed)
- (i) Crew Insurances* (Cl. 5(b)): **Yes**
 - (ii) Insurance for persons proceeding to sea onboard (Cl. 5(b)(i)): **Yes**
- *only to apply if Crew Management (Cl. 5(a)) agreed (see Box 7)
11. Insurance arrangements (state "yes" or "no" as agreed) (Cl. 7): **Yes**
12. Optional insurances (state optional insurance(s) as agreed, such as kidnap and ransom, loss of hire and FD & D) (Cl. 11(a)(iv)): **Yes. K&R, War LOH, FD&D and any other insurances as the Managers may consider appropriate from time to time**
13. Interest (state rate of interest to apply after due date to outstanding sums) (Cl. 9(a)): **Accruing daily at a rate per annum equal to SOFR plus five percent (5%).**
14. Emission Trading Scheme Allowances (Cl. 10)
- (i) Subclause (a)(iii) to apply (state "yes" or "no" as agreed): **Yes**
 - (ii) Subclause (b)(iii), (b)(iv) and (b)(v) (state number of days to apply): **14 days, however Managers may at any time instead purchase allowances on the market and charge the cost of this to Owners**
 - (iii) Subclause (c) (state fee, if not included in annual management fee): **Owners are jointly and severally liable with the owners of the Associated Vessels (see Annex D) for a yearly fee of [as per Master Agreement]**
15. Management fees (state amounts) (Cl. 13(a))
- (i) Predelivery management fee: **1/12th of the annual management fee**
 - (ii) Annual management fee: **[As per the Master Agreement]**
16. Attendance fee (state amount and number of days) (Cl. 13(c))
- (i) Daily rate: **As per the Master Agreement**
 - (ii) For attendance in excess of number of days per year pro rata: **[As per the Master Agreement]**
17. Nominated bank account (Cl. 13(a)): **Bank account in the name of the Managers or as may be instructed by the Managers in writing**
18. Lay-up period / number of months (Cl. 13(d)): **2 months**
19. Minimum contract period (state number of months) (Cl. 30(a)): **Two months**
20. Management fee on termination (state number of months to apply) (Cl. 31(h)): **Blank**
21. Severance Costs (state maximum amount) (Cl. 31(i)): **No limit**
22. Law & arbitration: ~~(a) English law/London arbitration, (b) US law/New York arbitration, (c) English law/Singapore arbitration, (d) Singapore law/Singapore arbitration, (e)~~

~~Hong Kong law/Hong Kong arbitration, (f) English law/Hong Kong arbitration, (g) Other. Choose law and arbitration venue. If alternative (g)(Other) is chosen, Clause 32 must be appropriately filled in or replaced, failing which alternative (a)(English law/London arbitration) shall apply).~~

- 23. Email address for receipt of arbitration notices and communications on behalf of Owners (Cl. 32): [Relevant details to be inserted]
- 24. Email address for receipt of arbitration notices and communications on behalf of Managers (Cl. 32): [Relevant details to be inserted]
- 25. Notices (state full style contact details for serving notice to the Owners) (Cl. 34): [Relevant details to be inserted]
- 26. Notices (state full style contact details for serving notice to the Managers) (Cl. 34): [Relevant details to be inserted]

It is mutually agreed between the Party stated in Box 3 and the Party stated in Box 4 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel or Vessels), "B" (Details of Crew), "C" (Budget), "D" (Associated Vessels) and "E" (Fee Schedule) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C", "D" and "E" shall prevail over those of PART II to the extent of such conflict but no further.

The Party responsible for issuing the final execution version of this Agreement warrants that it is an Authentic BIMCO Template procured from a properly authorised source and that all modifications to it are clearly visible. "Authentic BIMCO Template" means a BIMCO-approved standard contract in an editable electronic format.

Signature(s) (Owners)

Signature(s) (Managers)

Name:

Name:

Position:

Position:

PART II

SECTION 1 – Basis of the Agreement

1 DEFINITIONS

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them:

~~"Affiliates" means a company, partnership, or other legal entity which controls, is controlled by, or is under common control with, a Party. For the purposes of this definition, "control" means the ability, directly or indirectly, to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise (and "controls" and "controlled" shall be interpreted accordingly)~~
shall mean: for each Party, any person and/or entity which, directly, or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the specified party, where "control" means the possession, directly or indirectly of the ownership of voting securities in excess of 50%.

"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in Box 5 or any replacement organisation appointed by the Owners from time to time (see subclauses 9(b)(i) ~~or 9(c)(ii), whichever is applicable~~).

~~"Control" means the direct or indirect ownership of fifty per cent (50%) or more of the issued share capital or any kind of voting rights in a company, partnership, or legal entity, and "controls", "controlled" and "under common control" shall be construed accordingly.~~

"Crew" means the personnel of the numbers, rank and nationality specified in Annex "B" hereto.

"Crew Insurances" means insurance of liabilities in respect of crew risks which shall include but not be limited to death, permanent disability, sickness, injury, repatriation and loss of personal effects (see subclause 5(b) (Crew Insurances) and Clause 7 (Insurance Arrangements) and Clause 11 (Insurance Policies) and Boxes 10 and 11).

"Delivery" means the date on which the Company identified in Box 5 becomes responsible for the Vessel under the ISM and ISPS Codes.

"Flag State" means the State whose flag the Vessel is flying.

"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention and any amendment thereto or substitution therefor.

"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution therefor.

"Managers" means the party identified in Box 4.

"Management Services" means the services specified in SECTION 2 - Services (Clauses 4 through 7) as indicated affirmatively in Boxes 6 through 8, 10 and 11, SECTION 3 -

Obligations (Clause 10) as indicated in Box 14, and all other functions performed by the Managers under the terms of this Agreement, including Predelivery Services.

"Master Agreement" means the agreement entitled *Master Agreement* entered into between Navios Maritime Partners L.P. and Navios Shipmanagement Inc. on [●] 2024.

"Owners" means the party identified in Box 3.

"Parties" means the Owners and the Managers and each individually a "Party".

"Person" means any individual, firm, corporation, stock company, limited liability company, trust, partnership, limited liability partnership, association, joint venture or business, whether or not having legal personality.

"Predelivery Services" means the services performed by the Managers for and in respect of the Vessel prior to Delivery.

"Severance Costs" means the costs which are legally required to be paid to the Crew as a result of the early termination of any seafarer employment agreement for service on the Vessel.

"SMS" means the Safety Management System (as defined by the ISM Code).

"STCW" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 and 2010 and any amendment thereto or substitution therefor.

"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.

2 COMMENCEMENT AND APPOINTMENT

With effect from the date stated in Box 2 for the commencement of the Agreement and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel in respect of the Management Services.

3 AUTHORITY OF THE MANAGERS

Subject to the terms and conditions herein provided, during the period of this Agreement the Managers shall carry out the Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform the Management Services in accordance with sound ship management practice, including but not limited to compliance with all applicable rules and regulations.

SECTION 2 – Services

4 TECHNICAL MANAGEMENT

(only applicable if agreed according to Box 6).

The Managers shall provide technical management which includes, but is not limited to, the following services:

- (a) ensuring that the Vessel complies with the requirements of the law of the Flag State;
- (b) ensuring compliance with the ISM Code;
- (c) ensuring compliance with the ISPS Code;
- (d) operating a drug and alcohol policy as agreed with the Owners;
- (e) providing competent personnel to supervise the maintenance and general efficiency of the Vessel;
- (f) arranging and supervising dry dockings, repairs, alterations and the maintenance of the Vessel to the standards agreed with the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with all requirements and recommendations of the classification society, and with the law of the Flag State and of the places where the Vessel is required to trade;
- (g) arranging the supply of necessary stores, spares and lubricating oil;
- (h) appointing surveyors and technical consultants as the Managers may consider from time to time to be necessary;
- (i) arranging for the sampling and testing of fuels, as applicable; and
- (j) in accordance with the Owners' instructions, supervising the sale and physical delivery of the Vessel under the sale agreement. However, services under this subclause 4(j) shall not include negotiation of the sale agreement or transfer of ownership of the Vessel.

5 CREW MANAGEMENT AND CREW INSURANCES

(a) Crew Management

(only applicable if agreed according to Box 7)

The Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW. The provision of such crew management services includes, but is not limited to, the following services:

- (i) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;
- (ii) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;
- (iii) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate

Flag State requirements or such higher standard of medical examination as may be agreed with the Owners. In the absence of applicable Flag State requirements the medical certificate shall be valid at the time when the respective Crew member arrives on board the Vessel and shall be maintained for the duration of the service on board the Vessel;

- (iv) ensuring that the Crew shall have a common working language and a command of the English language of a sufficient standard to enable them to perform their duties safely;
- (v) arranging transportation of the Crew, including repatriation;
- (vi) arranging the supply of provisions unless provided by the Owners;
- (vii) training of the Crew;
- (viii) conducting union negotiations; and
- (ix) if the Managers are the Company, ensuring that the Crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.
- (x) if the Managers are not the Company:
 - (1) ensuring that the Crew, before joining the Vessel, are given proper familiarisation with their duties in relation to the ISM Code; and
 - (2) instructing the Crew to obey all reasonable orders of the Company in connection with the operation of the SMS.
- (xi) Where Managers are not providing technical management services in accordance with Clause 4 (Technical Management):
 - (1) ensuring that no person connected to the provision and the performance of the crew management services shall proceed to sea on board the Vessel without the prior consent of the Owners (such consent not to be unreasonably withheld); and
 - (2) ensuring that in the event that the Owners' drug and alcohol policy requires measures to be taken prior to the Crew joining the Vessel, implementing such measures;

(b) Crew Insurances

(only applicable if subclause 5(a) applies and if agreed according to Box 10)

The Managers shall throughout the period of this Agreement provide the following services:

- (i) arranging Crew Insurances in accordance with the best practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other

persons proceeding to sea onboard the Vessel may be separately agreed by the Owners and the Managers (see Box 10);

- (ii) ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in subclause 5(b)(i);
- (iii) ensuring that all premiums or calls in respect of the insurances in subclause 5(b)(i) are paid by their due date;
- (iv) if obtainable at no additional cost, ensuring that insurances in subclause 5(b)(i) name the Owners as a joint assured with full cover and, unless otherwise agreed, on terms such that Owners shall be under no liability in respect of premiums or calls arising in connection with such insurances.
- (v) providing written evidence, to the reasonable satisfaction of the Owners, of the Managers' compliance with their obligations under subclauses 5(b)(ii), and 5(b)(iii) within a reasonable time of the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the insurances in subclause 5(b)(i).

6 COMMERCIAL MANAGEMENT

(only applicable if agreed according to Box 8).

The Managers shall provide the following services for the Vessel in accordance with the Owners' instructions, which shall include but not be limited to:

- (a) seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 9, consent thereto in writing shall first be obtained from the Owners;
- (b) arranging for the provision of fuels of the quality specified by the Owners as required for the Vessel's trade;
- (c) voyage estimating and accounting and calculation of hire, freights, demurrage and/or despatch monies due from or due to the charterers of the Vessel; assisting in the collection of any sums or emission allowances due to the Owners related to the commercial operation of the Vessel in accordance with Clause 12 (Owners' Receivables and Expenses);

If any of the services under subclauses 6(a), 6(b) and 6(c) are to be excluded from the annual management fee, remuneration for these services must be stated in Annex E (Fee Schedule). See subclause 13(e).

- (d) issuing voyage instructions;
- (e) appointing agents;
- (f) appointing stevedores; and
- (g) arranging surveys associated with the commercial operation of the Vessel.

7 INSURANCE ARRANGEMENTS

(only applicable if agreed according to Box 11).

The Managers shall arrange insurances in accordance with Clause 11 (Insurance Policies), on such terms as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles, franchises and limits of liability.

SECTION 3 – Obligations

8 MANAGERS' OBLIGATIONS

- (a) The Managers undertake to use their **best reasonable** endeavours to provide the Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.

Provided, however, that in the performance of their management responsibilities under this Agreement, the Managers shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available personnel and resources in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

- (b) Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), they shall procure that the requirements of the Flag State are satisfied and they (or their nominee) shall agree to be appointed as the Company, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code and the ISPS Code, if applicable.

9 OWNERS' OBLIGATIONS

- (a) The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement. In the event of payment after the due date of any outstanding sums the Manager shall be entitled to charge interest at the rate stated in Box 13.
- (b) Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:
- (i) report (or where the Owners are not the registered owners of the Vessel procure that the registered owners report) to the Flag State administration the details of the Company responsible for compliance with the ISM and ISPS Codes;
 - (ii) procure that any officers and ratings supplied by them or on their behalf comply with the requirements of STCW; and
 - (iii) instruct such officers and ratings to obey all reasonable orders of the Managers (in their capacity as the Company) in connection with the operation of the Managers' safety management system.

- (c) Where the Managers are not providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:
- (i) procure that the requirements of the Flag State are satisfied and notify the Managers upon execution of this Agreement of the name and contact details of the organisation that will be the Company by completing Box 5;
 - (ii) if the Company changes at any time during this Agreement, notify the Managers in a timely manner of the name and contact details of the new organisation;
 - (iii) procure that the details of the Company, including any change thereof, are reported to the Flag State administration as required to comply with the ISM and ISPS Codes. The Owners shall advise the Managers in a timely manner when the Flag State administration has approved the Company; and
 - (iv) unless otherwise agreed, arrange for the supply of provisions at their own expense.
- (d) Where the Managers are providing crew management services in accordance with subclause 5(a) the Owners shall:
- (i) inform the Managers prior to ordering the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risks and/or piracy or like perils and pay whatever additional costs may properly be incurred by the Managers as a consequence of such orders including, if necessary, the costs of replacing any member of the Crew. Any delays resulting from negotiation with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area shall be for the Owners' account. Should the Vessel be within an area which becomes an excluded or additional premium area the above provisions relating to cost and delay shall apply;
 - (ii) agree with the Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Managers as a consequence of such change. ~~If agreement cannot be reached then either Party may terminate this Agreement in accordance with subclause 31(f);~~ and
 - (iii) provide, at no cost to the Managers, in accordance with the requirements of the law of the Flag State, or higher standard, as mutually agreed, adequate Crew accommodation and living standards.
- (e) Where the Managers are not the Company, the Owners shall ensure that Crew are properly familiarised with their duties in accordance with the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.

10 EMISSION TRADING SCHEME ALLOWANCES

~~ATTENTION: It is strongly recommended that the Parties read the accompanying explanatory notes and, in particular, carefully consider the consequences of the Owners mandating and the Managers accepting such mandate by a signed document whereby the Managers assume responsibility for compliance with applicable Emission Scheme(s) under subclause (b) of this Clause. The Parties should complete the number of days in subclause (b)(iii), (b)(iv) and (b)(v).~~

Notwithstanding any other provision in this Agreement, the Owners and the Managers (together the "Parties" and each individually a "Party") agree as follows:

"Emission Allowances" means an allowance, credit, quota, permit or equivalent, representing a right of a vessel to emit a specified quantity of greenhouse gas emissions recognised by the Emission Scheme.

"Emission Data" means data and records of the Vessel's emissions in the form and manner necessary to calculate its Emission Allowances.

"Emission Scheme" means a greenhouse gas emissions trading scheme which for the purposes of this Clause shall include the European Union Emissions Trading System and any other similar systems imposed by applicable lawful authorities that regulate the issuance, allocation, trading or surrendering of Emission Allowances.

"Responsible Entity" means the party responsible for compliance under any Emission Scheme(s) applicable to the Vessel by law and/or regulation.

(a) Owners as Responsible Entity

Where the Owners are the Responsible Entity:

- (i) the Owners shall comply with or procure compliance with any Emission Scheme(s) applicable to the Vessel throughout the period of this Agreement at their expense.
- (ii) the Managers shall provide the Owners with Emission Data in a timely manner to enable compliance with subclause (i) above, and/or at regular intervals to be agreed between the Parties. Such Emission Data shall be verified by an accredited verifier, where applicable, and if required by Owners audited by an independent party approved by them, at the Owners' expense.
- (iii) Emission Scheme Management Services.

This subclause (iii) is applicable only if the Parties state "Yes" in Box 14(i)

The Managers shall provide Emission Scheme management services ("**Emission Scheme Management Services**") which shall include, but not be limited to, the following:

- (1) providing the Owners with Emission Data in accordance with subclause (a)(ii) above together with the calculation of the Emission Allowances required;
- (2) arranging the monitoring and reporting of the Emission Data to the administering authority in accordance with the Emission Scheme(s); and
- (3) arranging the surrender of the Owners' Emission Allowances in accordance with the Emission Scheme(s).

(b) Managers as Responsible Entity

Where the Managers (or the Managers' nominee) are made the Responsible Entity under any Emission Scheme(s) applicable to the Vessel, or assume that responsibility by agreement between the Parties in accordance with such Emission Scheme(s), the following shall apply:

- (i) The Managers shall provide the Owners with Emission Data in accordance with subclause (a)(ii) above together with the calculation of the Emission Allowances required.
- (ii) The Managers shall monitor and report Emission Data to the administering authority in accordance with the Emission Scheme(s) applicable to the Vessel.
- (iii) The Managers shall **quarterly each month** prepare and present to the Owners, in writing, ~~their estimates of the Emission Allowances for the Vessel for the ensuing month, including~~ the reconciliation of the Vessel's actual emissions under each Emission Scheme applicable to the Vessel for the previous months **and adjustment for any previous shortfall or excess**. Such Emission Allowances shall be received by the Managers (or the Managers' nominee) from the Owners within the number of days stated in Box 14(ii) after receipt by the Owners of the Managers' written request.
- (iv) No later than fourteen (14) days prior to termination of this Agreement, the Managers shall prepare and present to the Owners, in writing, their estimates of the Emission Allowances due for the Vessel for the final month or part thereof, except that where the Agreement is terminated in circumstances which do not allow the Managers fourteen (14) days' time the Managers shall notify the Owners of said Emission Allowances as soon as possible. Within the number of days stated in Box 14 (ii) of such notification, but not later than the termination of the Agreement, the Emission Allowances notified by the Managers shall be transferred by the Owners to the Managers (or the Managers' nominee).
- (v) Any difference between the Emission Allowances estimated according to subclause (b)(iv) above and the Emission Allowances actually due according to the Emission Scheme(s) applicable to the Vessel as at the time and date of termination of this Agreement, shall be reconciled and settled between the Parties within the number of days stated in Box 14(ii).
- (vi) The Parties may agree to financial security for the Owners' obligations under subclause (iii), (iv) and (v) above. In any event, the Owners shall provide the Managers (or the Managers' nominee) in a timely manner with the Emission Allowances required to fulfil their obligations under the applicable Emission Scheme(s).
- (vii) The Managers (or the Managers' nominee) shall surrender the Emission Allowances in accordance with the Emission Scheme(s) applicable to the Vessel, subject always to the Owners being/remaining responsible for providing such Emission Allowances to the Managers (or the Managers' nominee).
- (viii) Any Emission Allowances or financial security transferred by the Owners to the Managers (or the Managers' nominee) under this subclause (b) shall be held to the credit of the Owners separately until surrendered to the administering authority of the Emission Scheme(s) applicable to the Vessel.

- (c) [The Owners shall pay to the Managers the fee stated in Box 14(iii) in an area subject to an Emission Scheme applicable to the Vessel. If no amount is entered in Box 14(iii), such fee shall be assumed to be included in the annual management fee.]
- (d) If either Party fails to comply with any of its obligations under this Clause, the other Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the Party in default.

~~* The European Union Emission Trading System's Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC requires a signed document clearly indicating that the Managers have been duly mandated by the Owners for the Managers to assume responsibility under subclause (b)~~
- (e) **All Emission Allowances collected by the Managers under Clause 6 (Commercial Management) shall be deposited into the account advised by the Owners in writing.**

SECTION 4 – Insurance, Budgets, Income, Expenses and Fees

11 INSURANCE POLICIES

The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, that throughout the period of this Agreement:

- (a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be, for:
 - (i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;
 - (ii) protection and indemnity risks (including but not limited to pollution risks, diversion expenses and, except to the extent insured separately by the Managers in accordance with subclause 5(b)(i), Crew Insurances);

 NOTE: If the Managers are not providing crew management services under subclause 5(a) (Crew Management) or have agreed not to provide Crew Insurances separately in accordance with subclause 5(b)(i), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see subclause 11(a)(ii) above).
 - (iii) war risks (including but not limited to piracy, blocking and trapping, protection and indemnity, terrorism and crew risks); and
 - (iv) such optional insurances as may be agreed (such as kidnap and ransom, **war** loss of hire and FD & D) (see Box 12).

 Subclauses 11(a)(i) through 11(a)(iv) all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations ("the Owners' Insurances");
- (b) all premiums and calls on the Owners' Insurances are paid by their due date;

- (c) the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover. It is understood that in some cases, such as protection and indemnity, the normal terms for such cover may impose on the Managers and any such third party a liability in respect of premiums or calls arising in connection with the Owners' Insurances.

If obtainable at no additional cost, however, the Owners shall procure such insurances on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with Clause 30 (Duration of the Agreement) and Clause 31 (Termination), the Owners shall procure that the Managers and any third party designated by the Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and

- (d) written evidence is provided, to the reasonable satisfaction of the Managers, of the Owners' compliance with their obligations under this Clause 11 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

12 OWNERS' RECEIVABLES AND EXPENSES

- (a) Except as provided in subclause 12(c) all monies collected by the Managers under the terms of this Agreement (other than monies payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in the nominated bank account stated in Box 17.
- (b) All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in subclause 13(c)) may be debited against the Owners in the account referred to under subclause 12(a) but shall in any event remain payable by the Owners to the Managers on demand.
- (c) All monies collected by the Managers under Clause 6 (Commercial Management) shall be paid into a bank account in the name of the Owners or as may be otherwise advised by the Owners in writing.
- ~~(d) All emission allowances collected by the Managers under Clause 6 (Commercial Management) shall be deposited into the account advised by the Owners in writing.~~

13 MANAGEMENT FEES AND EXPENSES

- (a)
 - (i) The Owners shall pay to the Managers a predelivery management fee as stated in Box 15(i) at the same time as the Owners pay the first instalment of the annual management fee to the Managers according to subclause 13(a)(ii). If Box 15(i) is left blank, an amount equivalent to one twelfth (1/12th) of the annual management fee shall apply. The predelivery management fee shall be payable to the nominated bank account stated in Box 17.
 - (ii) The Owners shall pay to the Managers an annual management fee as stated in Box 15(ii) for their services as Managers under this Agreement, which shall be

payable in equal monthly instalments in advance, the first instalment (pro rata if appropriate) being payable as from Delivery and subsequent instalments being payable at the beginning of every calendar month. The annual management fee shall be payable to the nominated bank account stated in Box 17.

- (iii) In the event Delivery of the Vessel does not take place for any reason other than default by the Managers, the predelivery management fee stated in Box 15(i) shall remain payable by the Owners to the Managers.
- (b) The annual management fee shall be subject to an annual **review adjustment** and the proposed fee shall be presented in the annual budget in accordance with subclause 14(a).
- (c) The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of this Clause 13 (Management Fees and Expenses) the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in the performance of the Management Services.

Any days used by the Managers' personnel travelling to or from or attending on the Vessel or otherwise used in connection with the Management Services in excess of those agreed shall be charged in accordance with Box 16.

- (d) If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in Box 18, an appropriate reduction of the annual management fee for the period exceeding such period until one (1) month before the Vessel is again put into service shall be mutually agreed between the Parties. If ~~the Managers are providing crew management services in accordance with subclause 5(a), consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. If~~ agreement cannot be reached then ~~either Party may terminate this Agreement in accordance with subclause 31(e)~~ such reduction shall be reasonably determined by the Manager.
- (e) Save as otherwise provided in this Agreement, all discounts and commissions obtained by the Managers in the course of the performance of the Management Services with respect to the Vessel shall be credited to the Owners, **provided that any discounts relating to bulk or volume orders for goods or services used across multiple vessels managed or to be managed by the Managers may be retained by the Managers.**
- (f) All payments of fees and any other payments due to the Managers under this Agreement shall be made without any set-off whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future stamp or other taxes, levies, fees, charges, restrictions or conditions of any nature. If the Owners are required by any authority in any country to make any withholding or deduction from any such payment, the sum due from the Owners in respect of such payment will be increased to the extent necessary to ensure that, after the making of such withholding or deduction the Managers receive a net sum equal to the amount which they would have received had no such deduction or withholding been required to be made.
- (g) Any change of the nominated bank account stated in Box 17 shall only be made in accordance with a secure protocol agreed between the Parties in writing, which shall include a secondary verification process. Under no circumstances shall any change of the nominated bank account be made by email alone.

14 **BUDGETS AND MANAGEMENT OF FUNDS**

- (a) The Managers' initial budget (including predelivery costs and expenses, as applicable) is set out in Annex "C" hereto. Subsequent budgets shall be for twelve (12) month periods and shall be prepared by the Managers and presented to the Owners not less than ~~three two~~ **(32)** months before the end of the budget year.
 - (b) The Owners shall state to the Managers in a timely manner, but in any event within one (1) month of presentation, whether or not they agree to each proposed annual budget. The Parties shall negotiate in good faith and if they fail to agree on the annual budget, including the annual management fee, either Party may terminate this Agreement in accordance with subclause 31(e).
 - (c) Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement for the Vessel and shall each ~~month~~ **quarter** request the Owners in writing to pay the funds required to run the Vessel for the ensuing ~~3 months~~, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ~~ten thirty~~ **(1030)** running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in the nominated bank account stated in Box 17.
 - (d) **Not later than the end of each calendar month, the Managers shall send to the Owners the actual operating costs of the vessel of the preceding calendar month. Managers shall upload in their system a complete statement of accounts of the actual operating costs of the vessel for the previous month and include: trial balances for said month; and supporting documentation for the actual operating costs.** The Managers shall at all times maintain and keep true and correct accounts in respect of the Management Services in accordance with the relevant International Financial Reporting Standards or such other standard as the Parties may agree, including records of all costs and expenditure incurred, and produce a comparison between budgeted and actual income and expenditure of the Vessel in such form and at such intervals as shall be mutually agreed. **Settlement of actual expenses to occur at least annually.**
- The Managers shall make such accounts available for inspection and auditing by the Owners and/or their representatives in the Managers' offices or by electronic means, provided reasonable notice is given by the Owners.
- (e) Notwithstanding anything contained herein, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.

SECTION 5 – Legal, General and Duration of Agreement

15 **TRADING RESTRICTIONS**

If the Managers are providing crew management services in accordance with subclause 5(a) (Crew Management), the Owners and the Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment and shall review such trading restrictions if warranted during the period of this Agreement.

16 **REPLACEMENT**

If the Managers are providing crew management services in accordance with subclause 5(a) (Crew Management), the Owners may require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of subclause 5(a) (Crew Management), then such replacement shall be at the Managers' expense.

17 **MANAGERS' RIGHT TO SUBCONTRACT**

~~The Managers shall not subcontract any of their obligations hereunder to any party other than their Affiliate without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of a subcontract, the Managers shall remain fully liable for the due performance of the Management Services under this Agreement. [As per Master Agreement]~~

18 **CHANGE OF CONTROL**

[AS PER MASTER AGREEMENT]

~~EACH PARTY UNDERTAKES TO PROVIDE THE OTHER AT LEAST FIFTEEN (15) DAYS' WRITTEN NOTICE OF ANY PROPOSED CHANGE OF CONTROL OF SUCH PARTY. THE OTHER PARTY SHALL BE DEEMED TO CONSENT IF IT DOES NOT OBJECT IN WRITING WITHIN FIFTEEN (15) DAYS OF RECEIPT OF THE WRITTEN NOTICE. IF THE OTHER PARTY OBJECTS AND AGREEMENT CANNOT BE REACHED, THEN EITHER PARTY MAY TERMINATE THIS AGREEMENT IN ACCORDANCE WITH SUBCLAUSE 31(F).~~

19 **RESPONSIBILITIES**

[As per Master Agreement]

(a) ~~Force Majeure~~

~~Neither Party shall be liable for any failure to perform any of their obligations hereunder by reason of any of the following force majeure events provided they have made all reasonable efforts to avoid, minimize or prevent the effect of such event:~~

- i. ~~acts of God;~~
- ii. ~~any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;~~
- iii. ~~riots, civil commotion, blockades or embargoes;~~
- iv. ~~epidemics;~~
- v. ~~earthquakes, landslides, floods or other extraordinary weather conditions;~~
- vi. ~~fire, accident, explosion, except where caused by negligence of the party seeking to invoke force majeure;~~
- vii. ~~government requisition;~~

- viii. ~~strikes, lockouts or other industrial action, unless limited to the employees (which shall not in respect of NSM, include the crew) of the party seeking to invoke force majeure; or~~
- ix. ~~any other similar cause beyond the reasonable control of either party.~~

(b) ~~Liability to Owners~~

- (i) ~~Without prejudice to subclause 19(a), the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees or agents, or subcontractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of US\$3,000,000.~~
- (ii) ~~Acts or omissions of the Crew - Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful.~~

(c) ~~Indemnity~~

~~Except to the extent and solely for the amount therein set out that the Managers would be liable under subclause 19(b), the Owners hereby undertake to keep the Managers (including their Affiliates) and their employees, agents and subcontractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.~~

~~Without prejudice to the general indemnity set out above, Owners hereby undertakes to indemnify Managers, their employees, agents and sub-contractors against all taxes, imposts and duties levied by any government as a result of the operations of Owners or the Vessel, whether or not such taxes, imposts and duties are levied on Owners, the Vessel or Managers. For the avoidance of doubt, such indemnity shall not apply to taxes imposed on amounts paid to Managers as consideration for the performance of Services under this Agreement. Owners shall pay all taxes, dues or fines imposed on the Vessels or Managers as a result of the operation of the Vessels.~~

(d) ~~"Himalaya"~~

~~It is hereby expressly agreed that no employee or agent of the Managers (including every Affiliate and subcontractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 19 (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 19 (Responsibilities) the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including Affiliates and subcontractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.~~

20 GENERAL ADMINISTRATION

- (a) The Managers shall keep the Owners and, if appropriate, the Company informed in a timely manner of any incident of which the Managers become aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.
- (e) The Managers shall handle and settle all claims and disputes arising out of the Management Services hereunder, unless the Owners instruct the Managers otherwise. The Managers shall keep the Owners appropriately informed in a timely manner throughout the handling of such claims and disputes.
- (f) The Owners may request the Managers to bring or defend other actions, suits or proceedings related to the Management Services, on terms to be agreed.
- (g) The Managers shall have power to obtain appropriate legal or technical or other outside expert advice, in consultation with the Owners, in relation to the handling and settlement of claims in relation to subclauses 20(a) and 20(b) and disputes and any other matters affecting the interests of the Owners in respect of the Vessel.
- (h) On giving reasonable notice, the Owners may request, and the Managers shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to the Owners in respect of the Vessel under this Agreement to the extent permitted by relevant legislation.

On giving reasonable notice, the Managers may request, and the Owners shall in a timely manner make available, all documentation, information and records reasonably required by the Managers to enable them to perform the Management Services.

- (i) The Owners shall arrange for the provision of any necessary guarantee bond or other security.
- (j) Any costs incurred by the Managers in carrying out their obligations according to this Clause 20 shall be reimbursed by the Owners.

21 MANAGERS' INFORMATION SYSTEM

- (a) The Managers will provide the Owners access to the Vessel's data through the Managers' digital information platform.
- (k) The Owners agree that the Managers have full and sole ownership of the Managers' digital information platform, including intellectual property rights and copyright under law, and that the Owners shall be granted access to it for the duration of the Agreement only and shall relinquish any interest in it thereafter.

22 VESSEL'S INFORMATION AND DATA

All accounts, documents and information, including electronic data, relating specifically to the Vessel and its operation ("Vessel Information") shall be the property of the Owners. Upon termination of this Agreement the Managers shall release the Vessel Information to the Owners, if so requested. The Vessel Information shall be provided to the Owners, originals where possible or otherwise certified copies, with electronic data in a mutually agreed form. The Managers may retain copies of the Vessel Information.

23 INSPECTION OF VESSEL

The Owners may at any time after giving reasonable notice to the Managers inspect the Vessel for any reason they consider necessary.

24 COMPLIANCE WITH LAWS AND REGULATIONS

The Parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.

25 MLC

For the purposes of this Clause:

"**MLC**" means the International Labour Organization (ILO) Maritime Labour Convention (MLC 2006) and any amendment thereto or substitution thereof.

"**Shipowner**" shall mean the party named as "shipowner" on the Maritime Labour Certificate for the Vessel.

- (a) Subject to Clause 3 (Authority of the Managers), the Managers shall, to the extent of their Management Services, assume the Shipowner's duties and responsibilities imposed by the MLC for the Vessel, on behalf of the Shipowner.
- (b) The Owners shall ensure compliance with the MLC in respect of any crew members supplied by them or on their behalf.
- (c) The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, insurance cover or financial security to satisfy the Shipowner's financial security obligations under the MLC.

PERSONAL DATA PROTECTION

For the purposes of this Clause:

"Data Subject" means any identified or identifiable natural person, including Crew.

"Personal Data" means any information relating to any Data Subject connected with the Management Services.

"DPR" means any data protection regulations applicable to the Parties in relation to the Management Services, including the European Union General Data Protection Regulation (GDPR).

- (a) The Parties shall each ensure compliance with the DPR in respect of Personal Data, with particular regard to:
 - (i) its collection and use;
 - (ii) its safeguarding;
 - (iii) any transfer to third parties;
 - (iv) its retention; and
 - (v) the protection of Data Subjects' rights.
- (b) The Parties shall have proper notification and response procedures for any Personal Data breach.
- (c) The Parties agree to conduct or submit to audits or inspections in accordance with the DPR.

CYBER SECURITY

For the purposes of this Clause:

"Cyber Security Incident" is the loss or unauthorised destruction, alteration, disclosure of, access to, or control of a Digital Environment. "Cyber Security" is technologies, processes, procedures and controls that are designed to protect Digital Environments from Cyber Security Incidents.

"Digital Environment" is information technology systems, operational technology systems, networks, internet-enabled applications or devices and the data contained within such systems.

- (a) Each Party shall:
 - (i) implement appropriate Cyber Security measures and systems and otherwise use reasonable endeavours to maintain its Cyber Security;
 - (ii) have in place appropriate plans and procedures to allow it to respond efficiently and effectively to a Cyber Security Incident; and
 - (iii) regularly review its Cyber Security arrangements to verify its application in practice and maintain and keep records evidencing the same.

- (b) Each Party shall use reasonable endeavours to ensure that any third party providing services on its behalf in connection with this Agreement complies with the terms of subclause (a)(i)-(iii).
- (c) If a Party becomes aware of a Cyber Security Incident which affects or is likely to affect either Party's Cyber Security, it shall promptly notify the other Party.
 - (i) If the Cyber Security Incident is within the Digital Environment of one of the Parties, that Party shall:
 - (1) promptly take all steps reasonably necessary to mitigate and/or resolve the Cyber Security Incident; and
 - (2) as soon as reasonably practicable, but no later than ~~twelve~~ twenty four (~~12~~24) hours after the original notification, provide the other Party with details of how it may be contacted and any information it may have which may assist the other Party in mitigating and/or preventing any effects of the Cyber Security Incident.
 - (ii) Each Party shall share with the other Party any information that subsequently becomes available to it which may assist the other Party in mitigating and/or preventing any effects of the Cyber Security Incident.

28 SANCTIONS

- (a) For the purposes of this Clause:
 - "**Sanctioned Activity**" means any activity, service, carriage, trade or voyage subject to sanctions, prohibitions or restrictions imposed by a Sanctioning Authority.
 - "**Sanctioning Authority**" means the United Nations, European Union, United Kingdom, United States of America or any other applicable competent authority or government.
 - "**Sanctioned Party**" means any persons, entities, bodies, or vessels designated by a Sanctioning Authority.
- (b) On entering into and throughout the duration of this Agreement:
 - (i) Owners and Managers warrant for themselves that they are not a Sanctioned Party and that any performance under this Agreement shall not constitute a Sanctioned Activity;
 - (ii) Owners warrant that the Vessel is not a Sanctioned Party and will not be used for any Sanctioned Activity;
 - (iii) Managers warrant that they will not subcontract any of their duties or obligations under this Agreement to any Sanctioned Party.
- (c) If at any time during the performance of this Agreement either Party becomes aware that the other Party is in breach of any warranty given under subclause 28(b), the Party not in breach may terminate this Agreement with immediate effect by giving notice to the Party in breach.

- (d) Notwithstanding anything in this Clause to the contrary, neither Owners nor Managers shall be required to do anything which constitutes a Sanctioned Activity.
- (e) Notwithstanding any other provision in this Agreement, Owners and Managers shall be liable to indemnify the other Party against any and all claims, losses, damages, costs and fines whatsoever suffered by the other Party resulting from any breach of the warranties given under subclause 28(b).

29 ANTI-CORRUPTION

- (a) The Parties agree that in connection with the performance of this Agreement they shall each comply at all times with all applicable anti- corruption legislation.
- (b) Notwithstanding any other provision in this Agreement, if either Party fails to comply with any applicable anti-corruption legislation:
 - (i) it shall defend and indemnify the other Party against any and all claims, losses, damages, costs and fines whatsoever suffered by the other Party resulting from such breach; and
 - (ii) if such breach causes the non-breaching Party to be in breach of any applicable anti-corruption legislation, the non-breaching Party shall be entitled to terminate this Agreement and/or claim losses, damages and costs resulting from the breach.

30 DURATION OF THE AGREEMENT

[As per Master Agreement]

- (a) ~~This Agreement shall come into effect at the date stated in Box 2 and shall continue until terminated by either Party by giving notice to the other; in which event this Agreement shall terminate upon the expiration of the later of the number of months stated in Box 19 or a period of two (2) months from the date on which such notice is received, unless terminated earlier in accordance with Clause 31 (Termination).~~
- (b) ~~Notice under Clause 30(a) be used by Owners to give advance notice of one of the matters within their control that leads to an Extraordinary Termination event under Clause 31(c). Neither Owners or Managers may serve notices under Clause 30(a) to terminate for any other reason.~~
- (c) ~~Where the Vessel is not at a mutually convenient port or place on the expiry of such period, this Agreement shall terminate on the subsequent arrival of the Vessel at the next mutually convenient port or place.~~

31 TERMINATION

- (a) ~~Owners' or Managers' default~~

~~If either Party fails to meet their obligations under this Agreement, the other Party may give notice to the Party in default requiring them to remedy it. In the event that the Party in default fails to remedy it within a reasonable time to the reasonable satisfaction of the other Party, that Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the Party in default.~~

(b) ~~Notwithstanding subclause 31(a):~~

- ~~(i) The Managers shall be entitled to terminate the Agreement with immediate effect by giving notice to the Owners if any monies payable by the Owners and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten (10) days of receipt by the Owners of the Managers' written request, or if the Vessel is repossessed.~~
- ~~(ii) If the Owners proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice.~~
- ~~(iii) If either Party fails to meet their respective obligations under subclause 5(b) (Crew Insurances) and Clause 11 (Insurance Policies), the other Party may give notice to the Party in default requiring them to remedy it immediately, failing which the other Party may terminate this Agreement with immediate effect by giving notice to the Party in default.~~

(c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end.

(d) For the purpose of subclause 31(c) hereof:

- (i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Vessel's owners cease to be the registered owners of the Vessel;
- (ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent court or tribunal that a constructive loss of the Vessel has occurred; and
- (iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of subclause 31(d)(ii).

~~(e) In the event the Parties fail to agree the annual budget in accordance with subclause 14(b), or to agree to a reduction in the annual management fee in accordance with subclause 13(d), either Party may terminate this Agreement by giving the other Party not less than one (1) month's notice, the result of which will be the expiry of the Agreement at the end of the current budget period or on expiry~~

of the notice period, whichever is the later. The Managers may terminate this Agreement with immediate effect if the Master Agreement has been terminated.

- ~~(f) In the event the Parties fail to agree a change of flag in accordance with subclause 9(d)(d)(ii), or to a change of Control in accordance with Clause 18, either Party may terminate this Agreement by giving the other Party not less than one (1) month's notice, the result of which will be the termination of the Agreement upon the change of flag or change of Control or on expiry of the notice period, whichever is the earlier.~~**
- ~~(g) This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either Party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.~~**
- (h) In the event of the termination of this Agreement for any reason other than default by the Managers the annual management fee payable to the Managers according to the provisions of Clause 13 (Management Fees and Expenses), shall continue to be payable for a further period of the number of months stated in Box 20 as from the effective date of termination. If Box 20 is left blank then ninety (90) days shall apply.
- (i) In addition, where the Managers provide Crew for the Vessel in accordance with subclause 5(a) (Crew Management), the Owners shall pay any Severance Costs which may be incurred, not exceeding the amount stated in Box 21. The Managers shall use their reasonable endeavours to minimise such Severance Costs.
- (j) The termination of this Agreement shall be without prejudice to all rights accrued due between the Parties prior to the date of termination.

32 **~~BIMCO LAW AND ARBITRATION CLAUSE 2020~~**

[As per Master Agreement]

~~The Parties have been given a choice of law and arbitration alternatives in Part I and this is the clause that shall apply.~~

- ~~(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 exclusively 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 seat of arbitration shall be London even where any hearing takes place in another jurisdiction.~~**
- ~~(b) The reference shall be to three (3) arbitrators.~~**
- ~~(c) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms.~~**
- ~~(d) In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure. In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA~~**

~~Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of USD 400,000 (or such other sum as the parties may agree) the parties may agree that the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure.~~

- ~~(e) The terms, procedures and rules referred to in subclauses (c) and (d) above shall be those current at the time when the arbitration proceedings are commenced.~~
- ~~(f) Any and all notices and communications in relation to any arbitration proceedings under this Clause, including commencement notices and appointment of arbitrators, shall be treated as effectively served from the date and time the e-mail was sent if sent by e-mail to the e-mail address of the Owners stated in Box 23 and of the Managers stated in Box 24, respectively.~~

~~Either Party shall be entitled to change and/or add to the e-mail addresses by sending notice of change to the other Party at the address in Box 23 and Box 24 respectively (or, if previously amended by notice, the relevant amended addresses).~~

~~Nothing in this clause shall prevent any notice and communication in relation to any arbitration proceedings in connection with this contract being served by other effective means.~~

33

~~BIMCO MEDIATION/ALTERNATIVE DISPUTE RESOLUTION CLAUSE 2021~~

- ~~(a) In the event of a dispute or difference arising under, out of or in connection with this Agreement either Party may at any time, either prior or subsequent to the commencement of any proceedings, invite the other to participate in an alternative dispute resolution (ADR) procedure including (but not limited to) mediation, early neutral evaluation and/or early intervention by written notice to the other Party.~~
- ~~(b) The other Party shall within fourteen (14) calendar days of receipt of such notice reply in writing either agreeing to participate or declining to participate, giving reasons for declining.~~
- ~~(c) If the Parties agree to participate in an ADR procedure, they shall both take such steps as are necessary to progress the ADR procedure in good faith and without undue delay.~~
- ~~(d) The Parties' participation in the ADR procedure shall not affect the rights of either Party to seek such relief or take such steps as it considers necessary to protect its interests.~~
- ~~(e) Subject to subclause (g), the ADR procedure shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to any Tribunal and/or Court in any subsequent or on-going proceedings except to the extent that they are disclosable under the law and procedure governing the relevant proceedings.~~
- ~~(f) Unless otherwise agreed, each Party shall bear its own costs incurred in the ADR procedure and the Parties shall share equally any third party costs and expenses.~~

- (g) ~~If the other Party does not agree to participate in any ADR procedure under this Clause, that fact may be brought to the attention of the competent Tribunal and/or Court and may be taken into account by such Tribunal and/or Court when allocating the costs of the proceedings as between the Parties.~~

~~(Note: The Parties should be aware that the ADR process may not interrupt time limits.)~~

34 NOTICES

[As per Master Agreement]

- (a) ~~All notices given by either Party or their agents to the other Party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other Party as set out in Boxes 25 and 26 or as appropriate or to such other address as the other Party may designate in writing.~~

~~A notice may be sent by registered or recorded mail, courier, email or delivered by hand in accordance with this subclause 32(a).~~

- (b) ~~Any notice given under this Agreement shall take effect on receipt by the other Party and shall be deemed to have been received:~~

~~(i) if sent by registered or recorded mail, on the seventh (7th) day after posting;~~

~~(ii) if sent by email, on the day of transmission; and~~

~~(iii) if delivered by courier or by hand, on the day of delivery.~~

~~And in each case proof of posting, couriering, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.~~

35 ENTIRE AGREEMENT

This Agreement ~~and the Master Agreement~~ constitutes the entire agreement between the Parties and no promise, undertaking, representation, warranty or statement by either Party prior to the date stated in Box 1 shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the Parties.

36 THIRD PARTY RIGHTS

Except to the extent ~~provided in subclauses 19(c) (Indemnity) and 19(d) (Himalaya) or otherwise expressly provided to the contrary in this Agreement~~, no third parties may enforce any term of this Agreement.

37 PARTIAL VALIDITY

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality,

invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

38 WAIVER

A waiver of any breach or provision of this Agreement shall only be effective if it is made in writing and signed by an authorised signatory of the Party who is waiving such breach or provision. Any waiver of a breach of any term of this Agreement shall not be deemed a waiver of any subsequent breach and shall not affect the enforceability of any other term of this Agreement.

39 WARRANTY OF AUTHORITY

The Owners and the Managers each warrant and represent that the person whose signature appears in Part I hereto is its representative and is duly authorised to execute this Agreement as a binding commitment of such Party.

40 CONFIDENTIALITY

[As per Master Agreement]

- (a) ~~This Agreement and all information or data provided or obtained in connection with the performance of this Agreement is and shall remain confidential and not be disclosed without the prior written consent of the other Party, provided however that each Party may disclose confidential information to its Affiliates, employees, agents, subcontractors and/or professional advisors for the performance of this Agreement or for legal or compliance purposes.~~
- (b) ~~The Parties shall use their best efforts to ensure that such information shall not be disclosed to any third party by any of their Affiliates, employees, agents, subcontractors and/or professional advisors.~~
- (c) ~~This Clause shall not apply to any information or data that has already been published or is in the public domain.~~
- (d) ~~All information and data provided by a Party is and shall remain the property of that Party.~~

41 BIMCO-ELECTRONIC SIGNATURE CLAUSE 2021 [NOT USED]

- (a) ~~For the purpose of this Clause "Electronic Signature" shall mean data in electronic form which is attached to or logically associated with other data in electronic form and which is used by a signatory to sign and includes, without limitation, typing a name into a contract, inserting a signature (in the form of an image) into a contract or using a web-based electronic signature platform to generate an electronic representation of a handwritten signature or a digital signature using public key encryption technology.~~
- (b) ~~The Parties agree that this Agreement, and any documents to be signed in connection herewith, may be electronically signed and the use by a Party of an Electronic Signature shall, for the purposes of validity, enforceability and admissibility, be conclusive evidence of that Party's intention to be legally bound as if such signature had been written by hand.~~

- (c) ~~In the event that an Electronic Signature is, for any reason whatsoever, not recognised by any relevant person, entity or authority in any applicable jurisdiction, each Party undertakes, upon request, to promptly provide a handwritten signature on any relevant document.~~
- (d) ~~This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. A counterpart bearing an Electronic Signature shall satisfy the requirements of this Clause.~~

42

INTERPRETATION

In this Agreement:

- (a) Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

- (b) Headings

The index and headings to the clauses and appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.

- (c) Day

"**Day**" means a calendar day unless expressly stated to the contrary.

ANNEX A

ANNEX "A" (DETAILS OF VESSEL OR VESSELS)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

Date of Agreement: [*Relevant details to be inserted*]

Name of Vessel(s): [*Relevant details to be inserted*]

Particulars of Vessel(s): [*Relevant details to be inserted*]

ANNEX B

ANNEX "B" (DETAILS OF CREW)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

Date of Agreement: *[Relevant details to be inserted]*

Details of Crew: *[Relevant details to be inserted]*

Numbers	Rank	Nationality
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ANNEX C

ANNEX "C" (BUDGET)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

Date of Agreement: [*Relevant details to be inserted*]

Managers' initial budget with effect from the commencement date of this Agreement (see Box 2): [*Relevant details to be inserted*]

ANNEX D

ANNEX "D" (ASSOCIATED VESSELS)

~~TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024~~

~~NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE
PROVISIONS OF SUBCLAUSE 31(b)(i) OF THIS AGREEMENT.~~

~~Date of Agreement:~~

~~Details of Associated Vessels:~~

~~All Vessels (as defined in the Master Agreement) from time to time.~~

ANNEX E

ANNEX "E" (FEE SCHEDULE)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

[As per Master Agreement]

SHIPMAN 2024



STANDARD SHIP MANAGEMENT AGREEMENT

PART I

Vessel's name and IMO number (Annex A): **[Relevant details to be inserted]**

1. PLACE AND DATE OF AGREEMENT (CL. 35): **PIRAEUS ON [DATE]**
2. Date of commencement of Agreement (Cls. 2 and 30): **[Relevant details to be inserted]**
3. Owners (name, place of registered office and law of registry) (Cl. 1)
 - (i) Name: **[Relevant details to be inserted]**
 - (ii) Place of registered office: **[Relevant details to be inserted]**
 - (iii) Law of registry: **[Relevant details to be inserted]**
4. Managers (name, place of registered office and law of registry) (Cl. 1)
 - (i) Name: **[Relevant details to be inserted]**
 - (ii) Place of registered office: **[Relevant details to be inserted]**
 - (iii) Law of registry: **[Relevant details to be inserted]**
5. The Company (with reference to the ISM/ISPS Codes) (state name and IMO Unique Company Identification number. If the Company is a third party then also state registered office and principal place of business) (Cls. 1 and 9(c)(i))
 - (i) Name: **[Relevant details to be inserted]**
 - (ii) IMO Unique Company Identification number: **[Relevant details to be inserted]**
 - (iii) Place of registered office: **[Relevant details to be inserted]**
 - (iv) Principal place of business: **[Relevant details to be inserted]**
6. Technical Management (state "yes" or "no" as agreed) (Cl. 4): **No**
7. Crew Management (state "yes" or "no" as agreed) (Cl. 5(a)): **No**
8. Commercial Management (state "yes" or "no" as agreed) (Cl. 6): **Yes**

9. Chartering Services period (only to be filled in if "yes" stated in Box 8) (Cl. 6(a)): **[No limit other than as advised by Owners]**
10. Crew Insurance arrangements (state "yes" or "no" as agreed)
- (i) Crew Insurances* (Cl. 5(b)): **N/A**
- (ii) Insurance for persons proceeding to sea onboard (Cl. 5(b)(i)): **N/A**
- *only to apply if Crew Management (Cl. 5(a)) agreed (see Box 7)
11. Insurance arrangements (state "yes" or "no" as agreed) (Cl. 7): **Yes**
12. Optional insurances (state optional insurance(s) as agreed, such as kidnap and ransom, loss of hire and FD & D) (Cl. 11(a)(iv)): **Any insurances as the Managers may consider appropriate from time to time**
13. Interest (state rate of interest to apply after due date to outstanding sums) (Cl. 9(a)): **Accruing daily at a rate per annum equal to SOFR plus five percent (5%)**
14. Emission Trading Scheme Allowances (Cl. 10)
- (i) Subclause (a)(iii) to apply (state "yes" or "no" as agreed): **Yes**
- (ii) Subclause (b)(iii), (b)(iv) and (b)(v) (state number of days to apply): **14 days, however Managers may at any time instead purchase allowances on the market and charge the cost of this to Owners**
- (iii) Subclause (c) (state fee, if not included in annual management fee): **Owners are jointly and severally liable with the owners of the Associated Vessels (see Annex D) for a yearly fee of [as per Master Agreement]**
15. Management fees (state amounts) (Cl. 13(a))
- (i) Predelivery management fee: **1/12th of the annual management fee**
- (ii) Annual management fee: **[As per the Master Agreement]**
16. Attendance fee (state amount and number of days) (Cl. 13(c))
- (i) Daily rate: **As per the Master Agreement**
- (ii) For attendance in excess of number of days per year pro rata: **[As per the Master Agreement]**
17. Nominated bank account (Cl. 13(a)): **Bank account in the name of the Managers or as may be instructed by the Managers in writing**
18. Lay-up period / number of months (Cl. 13(d)): **2 months**
19. Minimum contract period (state number of months) (Cl. 30(a)): **Two months**
20. Management fee on termination (state number of months to apply) (Cl. 31(h)): **Blank**
21. Severance Costs (state maximum amount) (Cl. 31(i)): **N/A**

22. Law & arbitration: ~~((a) English law/London arbitration, (b) US law/New York arbitration, (c) English law/Singapore arbitration, (d) Singapore law/Singapore arbitration, (e) Hong Kong law/Hong Kong arbitration, (f) English law/Hong Kong arbitration, (g) Other. Choose law and arbitration venue. If alternative (g)(Other) is chosen, Clause 32 must be appropriately filled in or replaced, failing which alternative (a)(English law/London arbitration) shall apply).~~
23. Email address for receipt of arbitration notices and communications on behalf of Owners (Cl. 32): [Relevant details to be inserted]
24. Email address for receipt of arbitration notices and communications on behalf of Managers (Cl. 32): [Relevant details to be inserted]
25. Notices (state full style contact details for serving notice to the Owners) (Cl. 34): [Relevant details to be inserted]
26. Notices (state full style contact details for serving notice to the Managers) (Cl. 34): [Relevant details to be inserted]

It is mutually agreed between the Party stated in Box 3 and the Party stated in Box 4 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel or Vessels), "B" (Details of Crew), "C" (Budget), "D" (Associated Vessels) and "E" (Fee Schedule) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and "A", "B", "C", "D" and "E" shall prevail over those of PART II to the extent of such conflict but no further.

The Party responsible for issuing the final execution version of this Agreement warrants that it is an Authentic BIMCO Template procured from a properly authorised source and that all modifications to it are clearly visible. "Authentic BIMCO Template" means a BIMCO-approved standard contract in an editable electronic format.

Signature(s) (Owners)

Signature(s) (Managers)

Name:

Name:

Position:

Position:

PART II

SECTION 1 – Basis of the Agreement

1 DEFINITIONS

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them:

~~"Affiliates" means a company, partnership, or other legal entity which controls, is controlled by, or is under common control with, a Party. For the purposes of this definition, "control" means the ability, directly or indirectly, to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise (and "controls" and "controlled" shall be interpreted accordingly)~~
shall mean: for each Party, any person and/or entity which, directly, or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the specified party, where "control" means the possession, directly or indirectly of the ownership of voting securities in excess of 50%.

"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in Box 5 or any replacement organisation appointed by the Owners from time to time (see subclauses 9(b)(i) ~~or 9(c)(ii), whichever is applicable~~).

~~"Control" means the direct or indirect ownership of fifty per cent (50%) or more of the issued share capital or any kind of voting rights in a company, partnership, or legal entity, and "controls", "controlled" and "under common control" shall be construed accordingly.~~

"Crew" means the personnel of the numbers, rank and nationality specified in Annex "B" hereto.

"Crew Insurances" means insurance of liabilities in respect of crew risks which shall include but not be limited to death, permanent disability, sickness, injury, repatriation and loss of personal effects (see subclause 5(b) (Crew Insurances) and Clause 7 (Insurance Arrangements) and Clause 11 (Insurance Policies) and Boxes 10 and 11).

"Delivery" means the date on which the Company identified in Box 5 becomes responsible for the Vessel under the ISM and ISPS Codes.

"Flag State" means the State whose flag the Vessel is flying.

"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention and any amendment thereto or substitution therefor.

"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution therefor.

"Managers" means the party identified in Box 4.

"Management Services" means the services specified in SECTION 2 - Services (Clauses 4 through 7) as indicated affirmatively in Boxes 6 through 8, 10 and 11, SECTION 3 -

Obligations (Clause 10) as indicated in Box 14, and all other functions performed by the Managers under the terms of this Agreement, including Predelivery Services.

"Master Agreement" means the agreement entitled *Master Agreement* entered into between Navios Maritime Partners L.P. and Navios Shipmanagement Inc. on [●] 2024.

"Owners" means the party identified in Box 3.

"Parties" means the Owners and the Managers and each individually a "Party".

"Person" means any individual, firm, corporation, stock company, limited liability company, trust, partnership, limited liability partnership, association, joint venture or business, whether or not having legal personality.

"Predelivery Services" means the services performed by the Managers for and in respect of the Vessel prior to Delivery.

~~"Severance Costs" means the costs which are legally required to be paid to the Crew as a result of the early termination of any seafarer employment agreement for service on the Vessel.~~

"SMS" means the Safety Management System (as defined by the ISM Code).

"STCW" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 and 2010 and any amendment thereto or substitution therefor.

"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.

2 COMMENCEMENT AND APPOINTMENT

With effect from the date stated in Box 2 for the commencement of the Agreement and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel in respect of the Management Services.

3 AUTHORITY OF THE MANAGERS

Subject to the terms and conditions herein provided, during the period of this Agreement the Managers shall carry out the Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform the Management Services in accordance with sound ship management practice, including but not limited to compliance with all applicable rules and regulations.

SECTION 2 – Services

4 TECHNICAL MANAGEMENT

(only applicable if agreed according to Box 6).

~~The Managers shall provide technical management which includes, but is not limited to, the following services:~~

- ~~(a) ensuring that the Vessel complies with the requirements of the law of the Flag State;~~
- ~~(b) ensuring compliance with the ISM Code;~~
- ~~(c) ensuring compliance with the ISPS Code;~~
- ~~(d) operating a drug and alcohol policy as agreed with the Owners;~~
- ~~(e) providing competent personnel to supervise the maintenance and general efficiency of the Vessel;~~
- ~~(f) arranging and supervising dry dockings, repairs, alterations and the maintenance of the Vessel to the standards agreed with the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with all requirements and recommendations of the classification society, and with the law of the Flag State and of the places where the Vessel is required to trade;~~
- ~~(g) arranging the supply of necessary stores, spares and lubricating oil;~~
- ~~(h) appointing surveyors and technical consultants as the Managers may consider from time to time to be necessary;~~
- ~~(i) arranging for the sampling and testing of fuels, as applicable; and~~
- ~~(j) in accordance with the Owners' instructions, supervising the sale and physical delivery of the Vessel under the sale agreement. However, services under this subclause 4(j) shall not include negotiation of the sale agreement or transfer of ownership of the Vessel.~~

5 CREW MANAGEMENT AND CREW INSURANCES

- (a) Crew Management

(only applicable if agreed according to Box 7)

~~The Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW. The provision of such crew management services includes, but is not limited to, the following services:~~

- ~~(i) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;~~
- ~~(ii) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;~~

- ~~(iii) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements or such higher standard of medical examination as may be agreed with the Owners. In the absence of applicable Flag State requirements the medical certificate shall be valid at the time when the respective Crew member arrives on board the Vessel and shall be maintained for the duration of the service on board the Vessel;~~
- ~~(iv) ensuring that the Crew shall have a common working language and a command of the English language of a sufficient standard to enable them to perform their duties safely;~~
- ~~(v) arranging transportation of the Crew, including repatriation;~~
- ~~(vi) arranging the supply of provisions unless provided by the Owners;~~
- ~~(vii) training of the Crew;~~
- ~~(viii) conducting union negotiations; and~~
- ~~(ix) if the Managers are the Company, ensuring that the Crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing;~~
- ~~(x) if the Managers are not the Company:

 - ~~(3) ensuring that the Crew, before joining the Vessel, are given proper familiarisation with their duties in relation to the ISM Code; and~~
 - ~~(4) instructing the Crew to obey all reasonable orders of the Company in connection with the operation of the SMS.~~~~
- ~~(xi) Where Managers are not providing technical management services in accordance with Clause 4 (Technical Management):

 - ~~(5) ensuring that no person connected to the provision and the performance of the crew management services shall proceed to sea on board the Vessel without the prior consent of the Owners (such consent not to be unreasonably withheld); and~~
 - ~~(6) ensuring that in the event that the Owners' drug and alcohol policy requires measures to be taken prior to the Crew joining the Vessel, implementing such measures;~~~~

(b) Crew Insurances

(only applicable if subclause 5(a) applies and if agreed according to Box 10)

~~The Managers shall throughout the period of this Agreement provide the following services:~~

- ~~i. arranging Crew Insurances in accordance with the best practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other persons proceeding to sea onboard the Vessel may be separately agreed by the Owners and the Managers (see Box 10);~~
- ~~ii. ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in subclause 5(b)(i);~~
- ~~iii. ensuring that all premiums or calls in respect of the insurances in subclause 5(b)(i) are paid by their due date;~~
- ~~iv. if obtainable at no additional cost, ensuring that insurances in subclause 5(b)(i) name the Owners as a joint assured with full cover and, unless otherwise agreed, on terms such that Owners shall be under no liability in respect of premiums or calls arising in connection with such insurances.~~
- ~~v. providing written evidence, to the reasonable satisfaction of the Owners, of the Managers' compliance with their obligations under subclauses 5(b)(ii), and 5(b)(iii) within a reasonable time of the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the insurances in subclause 5(b)(i).~~

6 COMMERCIAL MANAGEMENT

(only applicable if agreed according to Box 8).

The Managers shall provide the following services for the Vessel in accordance with the Owners' instructions, which shall include but not be limited to:

- (a) seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 9, consent thereto in writing shall first be obtained from the Owners;
- (b) arranging for the provision of fuels of the quality specified by the Owners as required for the Vessel's trade;
- (c) voyage estimating and accounting and calculation of hire, freights, demurrage and/or despatch monies due from or due to the charterers of the Vessel; assisting in the collection of any sums or emission allowances due to the Owners related to the commercial operation of the Vessel in accordance with Clause 12 (Owners' Receivables and Expenses);

If any of the services under subclauses 6(a), 6(b) and 6(c) are to be excluded from the annual management fee, remuneration for these services must be stated in Annex E (Fee Schedule). See subclause 13(e).

- (d) issuing voyage instructions;
- (e) appointing agents;

- (f) appointing stevedores; and
- (g) arranging surveys associated with the commercial operation of the Vessel.

7 INSURANCE ARRANGEMENTS

(only applicable if agreed according to Box 11).

The Managers shall arrange insurances in accordance with Clause 11 (Insurance Policies), on such terms as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles, franchises and limits of liability.

SECTION 3 – Obligations

8 MANAGERS' OBLIGATIONS

- (a) The Managers undertake to use their **best reasonable** endeavours to provide the Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.

Provided, however, that in the performance of their management responsibilities under this Agreement, the Managers shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available personnel and resources in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

- (b) ~~Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), they shall procure that the requirements of the Flag State are satisfied and they (or their nominee) shall agree to be appointed as the Company, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code and the ISPS Code, if applicable.~~

9 OWNERS' OBLIGATIONS

- (a) The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement. In the event of payment after the due date of any outstanding sums the Manager shall be entitled to charge interest at the rate stated in Box 13.
- (b) Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:
 - (i) report (or where the Owners are not the registered owners of the Vessel procure that the registered owners report) to the Flag State administration the details of the Company responsible for compliance with the ISM and ISPS Codes;
 - (ii) procure that any officers and ratings supplied by them or on their behalf comply with the requirements of STCW; and

- (iii) instruct such officers and ratings to obey all reasonable orders of the Managers (in their capacity as the Company) in connection with the operation of the Managers' safety management system.
- (c) Where the Managers are not providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:
 - (i) procure that the requirements of the Flag State are satisfied and notify the Managers upon execution of this Agreement of the name and contact details of the organisation that will be the Company by completing Box 5;
 - (ii) if the Company changes at any time during this Agreement, notify the Managers in a timely manner of the name and contact details of the new organisation;
 - (iii) procure that the details of the Company, including any change thereof, are reported to the Flag State administration as required to comply with the ISM and ISPS Codes. The Owners shall advise the Managers in a timely manner when the Flag State administration has approved the Company; and
 - (iv) unless otherwise agreed, arrange for the supply of provisions at their own expense.
- (d) ~~Where the Managers are providing crew management services in accordance with subclause 5(a) the Owners shall:~~
 - (i) ~~inform the Managers prior to ordering the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risks and/or piracy or like perils and pay whatever additional costs may properly be incurred by the Managers as a consequence of such orders including, if necessary, the costs of replacing any member of the Crew. Any delays resulting from negotiation with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area shall be for the Owners' account. Should the Vessel be within an area which becomes an excluded or additional premium area the above provisions relating to cost and delay shall apply;~~
 - (ii) ~~agree with the Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Managers as a consequence of such change. If agreement cannot be reached then either Party may terminate this Agreement in accordance with subclause 31(f); and~~
 - (iii) ~~provide, at no cost to the Managers, in accordance with the requirements of the law of the Flag State, or higher standard, as mutually agreed, adequate Crew accommodation and living standards.~~
- (e) Where the Managers are not the Company, the Owners shall ensure that Crew are properly familiarised with their duties in accordance with the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.

10 EMISSION TRADING SCHEME ALLOWANCES

~~ATTENTION: It is strongly recommended that the Parties read the accompanying explanatory notes and, in particular, carefully consider the consequences of the Owners mandating and the Managers accepting such mandate by a signed document whereby the Managers assume responsibility for compliance with applicable Emission Scheme(s) under subclause (b) of this Clause. The Parties should complete the number of days in subclause (b)(iii), (b)(iv) and (b)(v).~~

Notwithstanding any other provision in this Agreement, the Owners and the Managers (together the "Parties" and each individually a "Party") agree as follows:

"Emission Allowances" means an allowance, credit, quota, permit or equivalent, representing a right of a vessel to emit a specified quantity of greenhouse gas emissions recognised by the Emission Scheme.

"Emission Data" means data and records of the Vessel's emissions in the form and manner necessary to calculate its Emission Allowances.

"Emission Scheme" means a greenhouse gas emissions trading scheme which for the purposes of this Clause shall include the European Union Emissions Trading System and any other similar systems imposed by applicable lawful authorities that regulate the issuance, allocation, trading or surrendering of Emission Allowances.

"Responsible Entity" means the party responsible for compliance under any Emission Scheme(s) applicable to the Vessel by law and/or regulation.

(a) Owners as Responsible Entity

Where the Owners are the Responsible Entity:

- (i) the Owners shall comply with or procure compliance with any Emission Scheme(s) applicable to the Vessel throughout the period of this Agreement at their expense.
- (ii) the Managers shall provide the Owners with Emission Data in a timely manner to enable compliance with subclause (i) above, and/or at regular intervals to be agreed between the Parties. Such Emission Data shall be verified by an accredited verifier, where applicable, and if required by Owners audited by an independent party approved by them, at the Owners' expense.
- (iii) Emission Scheme Management Services.

This subclause (iii) is applicable only if the Parties state "Yes" in Box 14(i)

The Managers shall provide Emission Scheme management services ("Emission Scheme Management Services") which shall include, but not be limited to, the following:

- (1) providing the Owners with Emission Data in accordance with subclause (a)(ii) above together with the calculation of the Emission Allowances required;
- (2) arranging the monitoring and reporting of the Emission Data to the administering authority in accordance with the Emission Scheme(s); and

(3) arranging the surrender of the Owners' Emission Allowances in accordance with the Emission Scheme(s).

(b) Managers as Responsible Entity

Where the Managers (or the Managers' nominee) are made the Responsible Entity under any Emission Scheme(s) applicable to the Vessel, or assume that responsibility by agreement between the Parties in accordance with such Emission Scheme(s), the following shall apply:

- (i) The Managers shall provide the Owners with Emission Data in accordance with subclause (a)(ii) above together with the calculation of the Emission Allowances required.
- (ii) The Managers shall monitor and report Emission Data to the administering authority in accordance with the Emission Scheme(s) applicable to the Vessel.
- (iii) The Managers shall quarterly each month prepare and present to the Owners, in writing, their estimates of the Emission Allowances for the Vessel for the ensuing month, including the reconciliation of the Vessel's actual emissions under each Emission Scheme applicable to the Vessel for the previous months and adjustment for any previous shortfall or excess. Such Emission Allowances shall be received by the Managers (or the Managers' nominee) from the Owners within the number of days stated in Box 14(ii) after receipt by the Owners of the Managers' written request.
- (iv) No later than fourteen (14) days prior to termination of this Agreement, the Managers shall prepare and present to the Owners, in writing, their estimates of the Emission Allowances due for the Vessel for the final month or part thereof, except that where the Agreement is terminated in circumstances which do not allow the Managers fourteen (14) days' time the Managers shall notify the Owners of said Emission Allowances as soon as possible. Within the number of days stated in Box 14 (ii) of such notification, but not later than the termination of the Agreement, the Emission Allowances notified by the Managers shall be transferred by the Owners to the Managers (or the Managers' nominee).
- (v) Any difference between the Emission Allowances estimated according to subclause (b)(iv) above and the Emission Allowances actually due according to the Emission Scheme(s) applicable to the Vessel as at the time and date of termination of this Agreement, shall be reconciled and settled between the Parties within the number of days stated in Box 14(ii).
- (vi) The Parties may agree to financial security for the Owners' obligations under subclause (iii), (iv) and (v) above. In any event, the Owners shall provide the Managers (or the Managers' nominee) in a timely manner with the Emission Allowances required to fulfil their obligations under the applicable Emission Scheme(s).
- (vii) The Managers (or the Managers' nominee) shall surrender the Emission Allowances in accordance with the Emission Scheme(s) applicable to the Vessel, subject always to the Owners being/remaining responsible for providing such Emission Allowances to the Managers (or the Managers' nominee).

- (viii) Any Emission Allowances or financial security transferred by the Owners to the Managers (or the Managers' nominee) under this subclause (b) shall be held to the credit of the Owners separately until surrendered to the administering authority of the Emission Scheme(s) applicable to the Vessel.
- (c) The Owners shall pay to the Managers the fee stated in Box 14(iii) in an area subject to an Emission Scheme applicable to the Vessel. If no amount is entered in Box 14(iii), such fee shall be assumed to be included in the annual management fee.
- (d) If either Party fails to comply with any of its obligations under this Clause, the other Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the Party in default.

~~* The European Union Emission Trading System's Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC requires a signed document clearly indicating that the Managers have been duly mandated by the Owners for the Managers to assume responsibility under subclause (b)~~

- (e) All Emission Allowances collected by the Managers under Clause 6 (Commercial Management) shall be deposited into the account advised by the Owners in writing.

SECTION 4 – Insurance, Budgets, Income, Expenses and Fees

11 INSURANCE POLICIES

The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, that throughout the period of this Agreement:

- (a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be, for:
 - (i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;
 - (ii) protection and indemnity risks (including but not limited to pollution risks, diversion expenses ~~and, except to the extent insured separately by the Managers in accordance with subclause 5(b)(i), Crew Insurances~~);

~~NOTE: If the Managers are not providing crew management services under subclause 5(a) (Crew Management) or have agreed not to provide Crew Insurances separately in accordance with subclause 5(b)(i), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see subclause 11(a)(ii) above).~~

 - (iii) war risks (including but not limited to piracy, blocking and trapping, protection and indemnity, terrorism and crew risks); and
 - (iv) such optional insurances as may be agreed (such as kidnap and ransom, war loss of hire and FD & D) (see Box 12).

Subclauses 11(a)(i) through 11(a)(iv) all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and

reputable insurance companies, underwriters or associations ("the Owners' Insurances");

- (b) all premiums and calls on the Owners' Insurances are paid by their due date;
- (c) the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover. It is understood that in some cases, such as protection and indemnity, the normal terms for such cover may impose on the Managers and any such third party a liability in respect of premiums or calls arising in connection with the Owners' Insurances.

If obtainable at no additional cost, however, the Owners shall procure such insurances on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with Clause 30 (Duration of the Agreement) and Clause 31 (Termination), the Owners shall procure that the Managers and any third party designated by the Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and

- (d) written evidence is provided, to the reasonable satisfaction of the Managers, of the Owners' compliance with their obligations under this Clause 11 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

12 OWNERS' RECEIVABLES AND EXPENSES

- (a) Except as provided in subclause 12(c) all monies collected by the Managers under the terms of this Agreement (other than monies payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in the nominated bank account stated in Box 17.
- (b) All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in subclause 13(c)) may be debited against the Owners in the account referred to under subclause 12(a) but shall in any event remain payable by the Owners to the Managers on demand.
- (c) All monies collected by the Managers under Clause 6 (Commercial Management) shall be paid into a bank account in the name of the Owners or as may be otherwise advised by the Owners in writing.
- ~~(d) All emission allowances collected by the Managers under Clause 6 (Commercial Management) shall be deposited into the account advised by the Owners in writing.~~

13 MANAGEMENT FEES AND EXPENSES

- (a)
 - (i) The Owners shall pay to the Managers a predelivery management fee as stated in Box 15(i) at the same time as the Owners pay the first instalment of the annual management fee to the Managers according to subclause 13(a)(ii). If Box 15(i) is left blank, an amount equivalent to one twelfth (1/12th) of the annual

management fee shall apply. The predelivery management fee shall be payable to the nominated bank account stated in Box 17.

- (ii) The Owners shall pay to the Managers an annual management fee as stated in Box 15(ii) for their services as Managers under this Agreement, which shall be payable in equal monthly instalments in advance, the first instalment (pro rata if appropriate) being payable as from Delivery and subsequent instalments being payable at the beginning of every calendar month. The annual management fee shall be payable to the nominated bank account stated in Box 17.
 - (iii) In the event Delivery of the Vessel does not take place for any reason other than default by the Managers, the predelivery management fee stated in Box 15(i) shall remain payable by the Owners to the Managers.
- (b) The annual management fee shall be subject to an annual **review adjustment** and the proposed fee shall be presented in the annual budget in accordance with subclause 14(a).
 - (c) The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of this Clause 13 (Management Fees and Expenses) the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in the performance of the Management Services.

Any days used by the Managers' personnel travelling to or from or attending on the Vessel or otherwise used in connection with the Management Services in excess of those agreed shall be charged in accordance with Box 16.

- (d) If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in Box 18, an appropriate reduction of the annual management fee for the period exceeding such period until one (1) month before the Vessel is again put into service shall be mutually agreed between the Parties. ~~If the Managers are providing crew management services in accordance with subclause 5(a), consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. If agreement cannot be reached then either Party may terminate this Agreement in accordance with subclause 31(e), such reduction shall be reasonably determined by the Manager.~~
- (e) Save as otherwise provided in this Agreement, all discounts and commissions obtained by the Managers in the course of the performance of the Management Services with respect to the Vessel shall be credited to the Owners, **provided that any discounts relating to bulk or volume orders for goods or services used across multiple vessels managed or to be managed by the Managers may be retained by the Managers.**
- (f) All payments of fees and any other payments due to the Managers under this Agreement shall be made without any set-off whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future stamp or other taxes, levies, fees, charges, restrictions or conditions of any nature. If the Owners are required by any authority in any country to make any withholding or deduction from any such payment, the sum due from the Owners in respect of such payment will be increased to the extent necessary to ensure that, after the making of such withholding or deduction the Managers receive a net sum equal to the amount which they would have received had no such deduction or withholding been required to be made.

- (g) Any change of the nominated bank account stated in Box 17 shall only be made in accordance with a secure protocol agreed between the Parties in writing, which shall include a secondary verification process. Under no circumstances shall any change of the nominated bank account be made by email alone.

14 **BUDGETS AND MANAGEMENT OF FUNDS**

- (a) The Managers' initial budget (including predelivery costs and expenses, as applicable) is set out in Annex "C" hereto. Subsequent budgets shall be for twelve (12) month periods and shall be prepared by the Managers and presented to the Owners not less than ~~three~~ **two (32)** months before the end of the budget year.
- (b) The Owners shall state to the Managers in a timely manner, but in any event within one (1) month of presentation, whether or not they agree to each proposed annual budget. The Parties shall negotiate in good faith and if they fail to agree on the annual budget, including the annual management fee, either Party may terminate this Agreement in accordance with subclause 31(e).
- (c) Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement for the Vessel and shall each ~~month~~ **quarter** request the Owners in writing to pay the funds required to run the Vessel for the ensuing ~~3 months~~, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ~~ten~~ **thirty (30)** running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in the nominated bank account stated in Box 17.
- (d) **Not later than the end of each calendar month, the Managers shall send to the Owners the actual operating costs of the vessel of the preceding calendar month. Managers shall upload in their system a complete statement of accounts of the actual operating costs of the vessel for the previous month and include: trial balances for said month; and supporting documentation for the actual operating costs.** The Managers shall at all times maintain and keep true and correct accounts in respect of the Management Services in accordance with the relevant International Financial Reporting Standards or such other standard as the Parties may agree, including records of all costs and expenditure incurred, and produce a comparison between budgeted and actual income and expenditure of the Vessel in such form and at such intervals as shall be mutually agreed. **Settlement of actual expenses to occur at least annually.**
- The Managers shall make such accounts available for inspection and auditing by the Owners and/or their representatives in the Managers' offices or by electronic means, provided reasonable notice is given by the Owners.
- (e) Notwithstanding anything contained herein, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.

SECTION 5 – Legal, General and Duration of Agreement

15 ~~TRADING RESTRICTIONS~~[NOT USED]

~~If the Managers are providing crew management services in accordance with subclause 5(a) (Crew Management), the Owners and the Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment and shall review such trading restrictions if warranted during the period of this Agreement.~~

16 ~~REPLACEMENT~~[NOT USED]

~~If the Managers are providing crew management services in accordance with subclause 5(a) (Crew Management), the Owners may require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of subclause 5(a) (Crew Management), then such replacement shall be at the Managers' expense.~~

17 MANAGERS' RIGHT TO SUBCONTRACT

~~The Managers shall not subcontract any of their obligations hereunder to any party other than their Affiliate without the prior written consent of the Owners which shall not be unreasonably withheld. In the event of a subcontract, the Managers shall remain fully liable for the due performance of the Management Services under this Agreement. [As per Master Agreement]~~

18 CHANGE OF CONTROL

~~[AS PER MASTER AGREEMENT]~~

~~EACH PARTY UNDERTAKES TO PROVIDE THE OTHER AT LEAST FIFTEEN (15) DAYS' WRITTEN NOTICE OF ANY PROPOSED CHANGE OF CONTROL OF SUCH PARTY. THE OTHER PARTY SHALL BE DEEMED TO CONSENT IF IT DOES NOT OBJECT IN WRITING WITHIN FIFTEEN (15) DAYS OF RECEIPT OF THE WRITTEN NOTICE. IF THE OTHER PARTY OBJECTS AND AGREEMENT CANNOT BE REACHED, THEN EITHER PARTY MAY TERMINATE THIS AGREEMENT IN ACCORDANCE WITH SUBCLAUSE 31(F).~~

19 RESPONSIBILITIES

~~[As per Master Agreement]~~

~~(a) Force Majeure~~

~~Neither Party shall be liable for any failure to perform any of their obligations hereunder by reason of any of the following force majeure events provided they have made all reasonable efforts to avoid, minimize or prevent the effect of such event:~~

- ~~i. acts of God;~~
- ~~ii. any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;~~

- iii. ~~riots, civil commotion, blockades or embargoes;~~
- iv. ~~epidemics;~~
- v. ~~earthquakes, landslides, floods or other extraordinary weather conditions;~~
- vi. ~~fire, accident, explosion, except where caused by negligence of the party seeking to invoke force majeure;~~
- vii. ~~government requisition;~~
- viii. ~~strikes, lockouts or other industrial action, unless limited to the employees (which shall not in respect of NSM, include the crew) of the party seeking to invoke force majeure; or~~
- ix. ~~any other similar cause beyond the reasonable control of either party.~~

(b) Liability to Owners

- (i) ~~Without prejudice to subclause 19(a), the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers or their employees or agents, or subcontractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of US\$3,000,000.~~
- (ii) ~~Acts or omissions of the Crew - Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful.~~

(c) Indemnity

~~Except to the extent and solely for the amount therein set out that the Managers would be liable under subclause 19(b), the Owners hereby undertake to keep the Managers (including their Affiliates) and their employees, agents and subcontractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.~~

~~Without prejudice to the general indemnity set out above, Owners hereby undertakes to indemnify Managers, their employees, agents and sub-contractors against all taxes, imposts and duties levied by any government as a result of the operations of Owners or the Vessel, whether or not such taxes, imposts and duties are levied on Owners, the Vessel or Managers. For the avoidance of doubt, such indemnity shall not apply to taxes imposed on amounts paid to Managers as consideration for the performance of Services under this Agreement. Owners shall pay all taxes, dues or fines imposed on the Vessels or Managers as a result of the operation of the Vessels.~~

(d) ~~"Himalaya"~~

~~It is hereby expressly agreed that no employee or agent of the Managers (including every Affiliate and subcontractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 19 (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 19 (Responsibilities) the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including Affiliates and subcontractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.~~

20

GENERAL ADMINISTRATION

- (a) The Managers shall keep the Owners and, if appropriate, the Company informed in a timely manner of any incident of which the Managers become aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.
- (b) The Managers shall handle and settle all claims and disputes arising out of the Management Services hereunder, unless the Owners instruct the Managers otherwise. The Managers shall keep the Owners appropriately informed in a timely manner throughout the handling of such claims and disputes.
- (c) The Owners may request the Managers to bring or defend other actions, suits or proceedings related to the Management Services, on terms to be agreed.
- (d) The Managers shall have power to obtain appropriate legal or technical or other outside expert advice, in consultation with the Owners, in relation to the handling and settlement of claims in relation to subclauses 20(a) and 20(b) and disputes and any other matters affecting the interests of the Owners in respect of the Vessel.
- (e) On giving reasonable notice, the Owners may request, and the Managers shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or

regulations or other obligations applying to the Owners in respect of the Vessel under this Agreement to the extent permitted by relevant legislation.

On giving reasonable notice, the Managers may request, and the Owners shall in a timely manner make available, all documentation, information and records reasonably required by the Managers to enable them to perform the Management Services.

- (f) The Owners shall arrange for the provision of any necessary guarantee bond or other security.
- (g) Any costs incurred by the Managers in carrying out their obligations according to this Clause 20 shall be reimbursed by the Owners.

21 MANAGERS' INFORMATION SYSTEM

- (a) The Managers will provide the Owners access to the Vessel's data through the Managers' digital information platform.
- (b) The Owners agree that the Managers have full and sole ownership of the Managers' digital information platform, including intellectual property rights and copyright under law, and that the Owners shall be granted access to it for the duration of the Agreement only and shall relinquish any interest in it thereafter.

22 VESSEL'S INFORMATION AND DATA

All accounts, documents and information, including electronic data, relating specifically to the Vessel and its operation ("Vessel Information") shall be the property of the Owners. Upon termination of this Agreement the Managers shall release the Vessel Information to the Owners, if so requested. The Vessel Information shall be provided to the Owners, originals where possible or otherwise certified copies, with electronic data in a mutually agreed form. The Managers may retain copies of the Vessel Information.

23 INSPECTION OF VESSEL

The Owners may at any time after giving reasonable notice to the Managers inspect the Vessel for any reason they consider necessary.

24 COMPLIANCE WITH LAWS AND REGULATIONS

The Parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.

25 MLC

For the purposes of this Clause:

"**MLC**" means the International Labour Organization (ILO) Maritime Labour Convention (MLC 2006) and any amendment thereto or substitution thereof.

"Shipowner" shall mean the party named as "shipowner" on the Maritime Labour Certificate for the Vessel.

- (a) Subject to Clause 3 (Authority of the Managers), the Managers shall, to the extent of their Management Services, assume the Shipowner's duties and responsibilities imposed by the MLC for the Vessel, on behalf of the Shipowner.
- (b) The Owners shall ensure compliance with the MLC in respect of any crew members supplied by them or on their behalf.
- (c) The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, insurance cover or financial security to satisfy the Shipowner's financial security obligations under the MLC.

26 PERSONAL DATA PROTECTION

For the purposes of this Clause:

"Data Subject" means any identified or identifiable natural person, including Crew.

"Personal Data" means any information relating to any Data Subject connected with the Management Services.

"DPR" means any data protection regulations applicable to the Parties in relation to the Management Services, including the European Union General Data Protection Regulation (GDPR).

- (a) The Parties shall each ensure compliance with the DPR in respect of Personal Data, with particular regard to:
 - (i) its collection and use;
 - (ii) its safeguarding;
 - (iii) any transfer to third parties;
 - (iv) its retention; and
 - (v) the protection of Data Subjects' rights.
- (b) The Parties shall have proper notification and response procedures for any Personal Data breach.
- (c) The Parties agree to conduct or submit to audits or inspections in accordance with the DPR.

27 CYBER SECURITY

For the purposes of this Clause:

"Cyber Security Incident" is the loss or unauthorised destruction, alteration, disclosure of, access to, or control of a Digital Environment. "Cyber Security" is technologies, processes, procedures and controls that are designed to protect Digital Environments from Cyber Security Incidents.

"**Digital Environment**" is information technology systems, operational technology systems, networks, internet-enabled applications or devices and the data contained within such systems.

- (a) Each Party shall:
 - (i) implement appropriate Cyber Security measures and systems and otherwise use reasonable endeavours to maintain its Cyber Security;
 - (ii) have in place appropriate plans and procedures to allow it to respond efficiently and effectively to a Cyber Security Incident; and
 - (iii) regularly review its Cyber Security arrangements to verify its application in practice and maintain and keep records evidencing the same.
- (b) Each Party shall use reasonable endeavours to ensure that any third party providing services on its behalf in connection with this Agreement complies with the terms of subclause (a)(i)-(iii).
- (c) If a Party becomes aware of a Cyber Security Incident which affects or is likely to affect either Party's Cyber Security, it shall promptly notify the other Party.
 - (i) If the Cyber Security Incident is within the Digital Environment of one of the Parties, that Party shall:
 - (1) promptly take all steps reasonably necessary to mitigate and/or resolve the Cyber Security Incident; and
 - (2) **AS SOON AS REASONABLY PRACTICABLE, BUT NO LATER THAN ~~TWELVE~~ TWENTY FOUR (+24) HOURS AFTER THE ORIGINAL NOTIFICATION, PROVIDE THE OTHER PARTY WITH DETAILS OF HOW IT MAY BE CONTACTED AND ANY INFORMATION IT MAY HAVE WHICH MAY ASSIST THE OTHER PARTY IN MITIGATING AND/OR PREVENTING ANY EFFECTS OF THE CYBER SECURITY INCIDENT.**
 - (ii) Each Party shall share with the other Party any information that subsequently becomes available to it which may assist the other Party in mitigating and/or preventing any effects of the Cyber Security Incident.

28

SANCTIONS

- (a) For the purposes of this Clause:

"**Sanctioned Activity**" means any activity, service, carriage, trade or voyage subject to sanctions, prohibitions or restrictions imposed by a Sanctioning Authority.

"**Sanctioning Authority**" means the United Nations, European Union, United Kingdom, United States of America or any other applicable competent authority or government.

"**Sanctioned Party**" means any persons, entities, bodies, or vessels designated by a Sanctioning Authority.

- (b) On entering into and throughout the duration of this Agreement:
 - (i) Owners and Managers warrant for themselves that they are not a Sanctioned Party and that any performance under this Agreement shall not constitute a Sanctioned Activity;
 - (ii) Owners warrant that the Vessel is not a Sanctioned Party and will not be used for any Sanctioned Activity;
 - (iii) Managers warrant that they will not subcontract any of their duties or obligations under this Agreement to any Sanctioned Party.
- (c) If at any time during the performance of this Agreement either Party becomes aware that the other Party is in breach of any warranty given under subclause 28(b), the Party not in breach may terminate this Agreement with immediate effect by giving notice to the Party in breach.
- (d) Notwithstanding anything in this Clause to the contrary, neither Owners nor Managers shall be required to do anything which constitutes a Sanctioned Activity.
- (e) Notwithstanding any other provision in this Agreement, Owners and Managers shall be liable to indemnify the other Party against any and all claims, losses, damages, costs and fines whatsoever suffered by the other Party resulting from any breach of the warranties given under subclause 28(b).

29 ANTI-CORRUPTION

- (a) The Parties agree that in connection with the performance of this Agreement they shall each comply at all times with all applicable anti- corruption legislation.
- (b) Notwithstanding any other provision in this Agreement, if either Party fails to comply with any applicable anti-corruption legislation:
 - (i) it shall defend and indemnify the other Party against any and all claims, losses, damages, costs and fines whatsoever suffered by the other Party resulting from such breach; and
 - (ii) if such breach causes the non-breaching Party to be in breach of any applicable anti-corruption legislation, the non-breaching Party shall be entitled to terminate this Agreement and/or claim losses, damages and costs resulting from the breach.

30 DURATION OF THE AGREEMENT

[As per Master Agreement]

- (a) ~~This Agreement shall come into effect at the date stated in Box 2 and shall continue until terminated by either Party by giving notice to the other; in which event this Agreement shall terminate upon the expiration of the later of the number of months stated in Box 19 or a period of two (2) months from the date on which such notice is received, unless terminated earlier in accordance with Clause 31 (Termination).~~
- (b) ~~Notice under Clause 30(a) be used by Owners to give advance notice of one of the matters within their control that leads to an Extraordinary Termination event~~

~~under Clause 31(c). Neither Owners or Managers may serve notices under Clause 30(a) to terminate for any other reason.~~

- (c) ~~Where the Vessel is not at a mutually convenient port or place on the expiry of such period, this Agreement shall terminate on the subsequent arrival of the Vessel at the next mutually convenient port or place.~~

31

TERMINATION

- (a) ~~Owners' or Managers' default~~

~~If either Party fails to meet their obligations under this Agreement, the other Party may give notice to the Party in default requiring them to remedy it. In the event that the Party in default fails to remedy it within a reasonable time to the reasonable satisfaction of the other Party, that Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the Party in default.~~

- (b) ~~Notwithstanding subclause 31(a):~~

(i) ~~The Managers shall be entitled to terminate the Agreement with immediate effect by giving notice to the Owners if any monies payable by the Owners and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten (10) days of receipt by the Owners of the Managers' written request, or if the Vessel is repossessed.~~

(ii) ~~If the Owners proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice.~~

(iii) ~~If either Party fails to meet their respective obligations under subclause 5(b) (Crew Insurances) and Clause 11 (Insurance Policies), the other Party may give notice to the Party in default requiring them to remedy it immediately, failing which the other Party may terminate this Agreement with immediate effect by giving notice to the Party in default.~~

- (c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel (**if Owners are the registered owners of the Vessel**) or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if **bareboat** chartered-**in**, unless otherwise agreed, when the **bareboat** charter comes to an end.

- (d) For the purpose of subclause 31(c) hereof:

(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Vessel's owners cease to be the registered owners of the Vessel;

- (ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent court or tribunal that a constructive loss of the Vessel has occurred; and
 - (iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of subclause 31(d)(ii).
- (e) ~~In the event the Parties fail to agree the annual budget in accordance with subclause 14(b), or to agree to a reduction in the annual management fee in accordance with subclause 13(d), either Party may terminate this Agreement by giving the other Party not less than one (1) month's notice, the result of which will be the expiry of the Agreement at the end of the current budget period or on expiry of the notice period, whichever is the later. The Managers may terminate this Agreement with immediate effect if the Master Agreement has been terminated.~~
- (f) ~~In the event the Parties fail to agree a change of flag in accordance with subclause 9(d)(d)(ii), or to a change of Control in accordance with Clause 18, either Party may terminate this Agreement by giving the other Party not less than one (1) month's notice, the result of which will be the termination of the Agreement upon the change of flag or change of Control or on expiry of the notice period, whichever is the earlier.~~
- (g) ~~This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either Party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.~~
- (b)
- (c)
- (d)
- (e)
- (f) In the event of the termination of this Agreement for any reason other than default by the Managers the annual management fee payable to the Managers according to the provisions of Clause 13 (Management Fees and Expenses), shall continue to be payable for a further period of the number of months stated in Box 20 as from the effective date of termination. If Box 20 is left blank then ninety (90) days shall apply.
- (f) ~~In addition, where the Managers provide Crew for the Vessel in accordance with subclause 5(a) (Crew Management), the Owners shall pay any Severance Costs which may be incurred, not exceeding the amount stated in Box 21. The Managers shall use their reasonable endeavours to minimise such Severance Costs.~~
- (j) The termination of this Agreement shall be without prejudice to all rights accrued due between the Parties prior to the date of termination.

[As per Master Agreement]

The Parties have been given a choice of law and arbitration alternatives in Part I and this is the clause that shall apply:

- (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 exclusively 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 seat of arbitration shall be London even where any hearing takes place in another jurisdiction.~~
- (b) ~~The reference shall be to three (3) arbitrators.~~
- (c) ~~The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms.~~
- (d) ~~In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure. In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of USD 400,000 (or such other sum as the parties may agree) the parties may agree that the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure.~~
- (e) ~~The terms, procedures and rules referred to in subclauses (c) and (d) above shall be those current at the time when the arbitration proceedings are commenced.~~
- (f) ~~Any and all notices and communications in relation to any arbitration proceedings under this Clause, including commencement notices and appointment of arbitrators, shall be treated as effectively served from the date and time the e-mail was sent if sent by e-mail to the e-mail address of the Owners stated in Box 23 and of the Managers stated in Box 24, respectively.~~

~~Either Party shall be entitled to change and/or add to the e-mail addresses by sending notice of change to the other Party at the address in Box 23 and Box 24 respectively (or, if previously amended by notice, the relevant amended addresses).~~

~~Nothing in this clause shall prevent any notice and communication in relation to any arbitration proceedings in connection with this contract being served by other effective means.~~

- (a) ~~In the event of a dispute or difference arising under, out of or in connection with this Agreement either Party may at any time, either prior or subsequent to the commencement of any proceedings, invite the other to participate in an alternative dispute resolution (ADR) procedure including (but not limited to) mediation, early neutral evaluation and/or early intervention by written notice to the other Party.~~

- (b) ~~The other Party shall within fourteen (14) calendar days of receipt of such notice reply in writing either agreeing to participate or declining to participate, giving reasons for declining.~~
- (c) ~~If the Parties agree to participate in an ADR procedure, they shall both take such steps as are necessary to progress the ADR procedure in good faith and without undue delay.~~
- (d) ~~The Parties' participation in the ADR procedure shall not affect the rights of either Party to seek such relief or take such steps as it considers necessary to protect its interests.~~
- (e) ~~Subject to subclause (g), the ADR procedure shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to any Tribunal and/or Court in any subsequent or on-going proceedings except to the extent that they are disclosable under the law and procedure governing the relevant proceedings.~~
- (f) ~~Unless otherwise agreed, each Party shall bear its own costs incurred in the ADR procedure and the Parties shall share equally any third party costs and expenses.~~
- (g) ~~If the other Party does not agree to participate in any ADR procedure under this Clause, that fact may be brought to the attention of the competent Tribunal and/or Court and may be taken into account by such Tribunal and/or Court when allocating the costs of the proceedings as between the Parties.~~

~~(Note: The Parties should be aware that the ADR process may not interrupt time limits.)~~

34

NOTICES

[As per Master Agreement]

- (a) ~~All notices given by either Party or their agents to the other Party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other Party as set out in Boxes 25 and 26 or as appropriate or to such other address as the other Party may designate in writing.~~

~~A notice may be sent by registered or recorded mail, courier, email or delivered by hand in accordance with this subclause 32(a).~~

- (b) ~~Any notice given under this Agreement shall take effect on receipt by the other Party and shall be deemed to have been received:

 - (i) ~~if sent by registered or recorded mail, on the seventh (7th) day after posting;~~
 - (ii) ~~if sent by email, on the day of transmission; and~~
 - (iii) ~~if delivered by courier or by hand, on the day of delivery.~~~~

~~And in each case proof of posting, couriering, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.~~

35 **ENTIRE AGREEMENT**

This Agreement **and the Master Agreement** constitutes the entire agreement between the Parties and no promise, undertaking, representation, warranty or statement by either Party prior to the date stated in Box 1 shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the Parties.

36 **THIRD PARTY RIGHTS**

Except to the extent ~~provided in subclauses 19(c) (Indemnity) and 19(d) (Himalaya) or otherwise expressly provided to the contrary in this Agreement~~, no third parties may enforce any term of this Agreement.

37 **PARTIAL VALIDITY**

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

38 **WAIVER**

A waiver of any breach or provision of this Agreement shall only be effective if it is made in writing and signed by an authorised signatory of the Party who is waiving such breach or provision. Any waiver of a breach of any term of this Agreement shall not be deemed a waiver of any subsequent breach and shall not affect the enforceability of any other term of this Agreement.

39 **WARRANTY OF AUTHORITY**

The Owners and the Managers each warrant and represent that the person whose signature appears in Part I hereto is its representative and is duly authorised to execute this Agreement as a binding commitment of such Party.

40 **CONFIDENTIALITY**

[As per Master Agreement]

- (a) ~~This Agreement and all information or data provided or obtained in connection with the performance of this Agreement is and shall remain confidential and not be disclosed without the prior written consent of the other Party, provided however that each Party may disclose confidential information to its Affiliates, employees, agents, subcontractors and/or professional advisors for the performance of this Agreement or for legal or compliance purposes.~~
- (b) ~~The Parties shall use their best efforts to ensure that such information shall not be disclosed to any third party by any of their Affiliates, employees, agents, subcontractors and/or professional advisors.~~
- (c) ~~This Clause shall not apply to any information or data that has already been published or is in the public domain.~~

~~(d) All information and data provided by a Party is and shall remain the property of that Party.~~

41 ~~BIMCO ELECTRONIC SIGNATURE CLAUSE 2021~~ [NOT USED]

- ~~(a) For the purpose of this Clause "Electronic Signature" shall mean data in electronic form which is attached to or logically associated with other data in electronic form and which is used by a signatory to sign and includes, without limitation, typing a name into a contract, inserting a signature (in the form of an image) into a contract or using a web-based electronic signature platform to generate an electronic representation of a handwritten signature or a digital signature using public key encryption technology.~~
- ~~(b) The Parties agree that this Agreement, and any documents to be signed in connection herewith, may be electronically signed and the use by a Party of an Electronic Signature shall, for the purposes of validity, enforceability and admissibility, be conclusive evidence of that Party's intention to be legally bound as if such signature had been written by hand.~~
- ~~(c) In the event that an Electronic Signature is, for any reason whatsoever, not recognised by any relevant person, entity or authority in any applicable jurisdiction, each Party undertakes, upon request, to promptly provide a handwritten signature on any relevant document.~~
- ~~(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. A counterpart bearing an Electronic Signature shall satisfy the requirements of this Clause.~~

42 INTERPRETATION

In this Agreement:

- (a) Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

- (b) Headings

The index and headings to the clauses and appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.

- (c) Day

"Day" means a calendar day unless expressly stated to the contrary.

ANNEX A

ANNEX "A" (DETAILS OF VESSEL OR VESSELS)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT

CODE NAME: SHIPMAN 2024

Date of Agreement: ***[Relevant details to be inserted]***

Name of Vessel(s): ***[Relevant details to be inserted]***

Particulars of Vessel(s): ***[Relevant details to be inserted]***

ANNEX B

ANNEX "B" (DETAILS OF CREW)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT

CODE NAME: SHIPMAN 2024

Date of Agreement: *[Relevant details to be inserted]*

Details of Crew: *[Relevant details to be inserted]*

Numbers	Rank	Nationality
---------	------	-------------

ANNEX C

ANNEX "C" (BUDGET)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT

CODE NAME: SHIPMAN 2024

Date of Agreement: **[Relevant details to be inserted]**

Managers' initial budget with effect from the commencement date of this Agreement (see Box 2): **[Relevant details to be inserted]**

ANNEX D

ANNEX "D" (ASSOCIATED VESSELS)

~~TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT~~

~~CODE NAME: SHIPMAN 2024~~

~~NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUBCLAUSE 31(b)(i) OF THIS AGREEMENT.~~

~~Date of Agreement:~~

~~Details of Associated Vessels:~~

~~All Vessels (as defined in the Master Agreement) from time to time.~~

ANNEX E

ANNEX "E" (FEE SCHEDULE)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT

CODE NAME: SHIPMAN 2024

[As per Master Agreement]

SCHEDULE D – SERVICES AND FEES

Management Services

NSM shall be entitled to the following fees under the Management Agreements:

- i. A base management fee of USD950 per Vessel per day. In the case of a TC-in Vessel or Subcontracted Vessel, the base management fee shall be reduced to USD475 per day.
- ii. A commercial management fee of 1.25% of the gross revenues of each Vessel.
- iii. An annual fee of USD175,000 for services relating to compliance with the European Emission Trading Scheme.

Project Services

NSM shall further be entitled to the following fees in respect of other Services:

- i. In the event that an NMM Owner acquires a newbuilt vessel, NSM shall be appointed to supervise the construction and delivery from the shipyard and shall be entitled to a supervision fee of:
 - (i) USD10,000 per month per Vessel during the construction period; and
 - (ii) USD600,000 per Vessel upon delivery
- ii. A 1% fee on the capital expenditures invested in connection with special projects plus USD10,000 per month during the term of such projects, provided that no other fee payable under this Agreement applies to such special project.
- iii. In the event of a sale or purchase of any Vessel (including purchase under a newbuilding contract or a transfer of a newbuilding contract), to a fee equal to one percent (1%) fee of the purchase price or sale price.

Inflation Adjustment

All above fees are to be adjusted upwards by an annual escalation linked to the United States Consumer Price Index for the previous twelve (12) months. The first adjustment will take place on October 30, 2025 and subsequent adjustments on each anniversary thereafter.

Incentive Award

NMM may, in its board of directors' absolute discretion, pay NSM an Incentive Award as follows:

- i. A Return on Equity bonus as follows:

Return on Equity	\$	Target
Less than 15%		Nil
Greater than or equal to 15% and up to 17.5%		2,200,000
Greater than or equal to 17.5% and up to 20%		3,300,000
Greater of than equal to 20% and up to 22.5%		4,400,000
Greater of than equal to 22.5% and up to 25%		5,500,000
Greater than or equal to 25%		6,600,000

“Return on Equity” means Earnings Per Unit divided by Unit Value.

“Earnings Per Unit” means the earnings per issued unit of NMM as determined by US GAAP for the most recent financial year.

“Unit Value” means the book value per issued unit of NMM determined as at 31 December of the preceding year, as shown in the Relevant Financial Statements.

“Relevant Financial Statements” mean those financial statements of NMM for the period subject to the award.

An Incentive Award may be paid in cash, units or securities convertible into or exchangeable for units, as NMM's board of directors may unanimously determine in their absolute discretion.

NMM may further grant additional incentive awards in Units or cash or securities convertible into or exchangeable for Units, as an independent committee of NMM's board of directors may at its absolute discretion decide.

Reimbursable Costs

“Reimbursable Costs” means all expenses reasonably incurred by NSM in connection with the provision of the Services, including without limitation, all costs incurred that are for Owners' account under the Management Agreements and all cost incurred with external service providers in connection with the Project Services, corporate transactions and financing arrangements.

Notwithstanding anything to the contrary in this Agreement or the Management Agreements, NSM is not to be responsible for, and may, if applicable, charge as Reimbursable Costs, any of the following extraordinary costs liabilities and expenses in respect of a Vessel:

- i. any 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 NSM, its employees or its agents, unless and to the extent otherwise covered by insurance).

- ii. 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.
- iii. the deductible of any insurance claims relating to the Vessels or for any claims that are within such deductible range.
- iv. any tax, dues or fines imposed on the Vessels or NSM due to the operation of the Vessels.
- v. any expenses incurred in connection with the sale or acquisition of a Vessel, such as in connection with inspections and technical assistance.
- vi. any other costs, liabilities and expenses similar to those set forth in (i) through (v) above that were not reasonably contemplated by NMM and NSM as being encompassed by or a component of the services at the time the services were determined.

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (as amended and/or supplemented from time to time, the "**Agreement**") dated this August 16, 2024, and effective as of January 1, 2025 (the "**Effective Date**"), by and between NAVIOS MARITIME PARTNERS L.P., a Marshall Islands limited partnership (together with its Affiliates and subsidiaries, "**NMM**") and NAVIOS SHIPMANAGEMENT INC., a Marshall Islands corporation (together with its Affiliates and subsidiaries, "**NSM**") (each of NMM and NSM a "**Party**", and together, the "**Parties**").

WHEREAS:

(A) NMM is a limited partnership which owns and charters certain vessels and requires certain administrative support services for the operation of these vessels; and

(B) NMM wishes to engage NSM to provide to NMM, and NSM wishes to provide, the administrative services described in Schedule A (the "**Services**") for the fees set out in Schedule B (the "**Costs and Expenses**"), on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, the Parties agree that, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. Definitions.

In this Agreement, including the recitals hereto, unless the context requires otherwise, the following terms shall have the respective meanings ascribed to them below, and any reference to a "Section" or "Schedule" shall be construed as a reference to a section or schedule to this Agreement:

"Affiliate" shall mean: for each Party, any person and/or entity which, directly, or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the specified party, where "control" means the possession, directly or indirectly, of the ownership of voting securities in excess of 50%;

"Business Day" means a day other than a Saturday, Sunday or statutory holiday on which banks are open in Greece, London, Monaco and New York.

"Change of Control" means:

- (a) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, other than in the ordinary course of business, of all or substantially all of the assets of NMM or its subsidiaries, taken as a whole, to any natural or legal person or persons other than a Permitted Person;
- (b) any event in which securities of any class entitling the holders thereof to elect a majority of the members of the board of directors or other similar governing body of NMM are acquired, directly or indirectly, by a "person" or "group" (within the meaning of Sections 13(d) or 14(d)(2) of the United States Securities Exchange Act of 1934, as amended) other than a Permitted Person;
- (c) an order made for, or the adoption by the board of directors or other similar governing body of a plan of, liquidation, dissolution or deregistration of NMM; or
- (d) a change in the members of the board of directors or other similar governing body resulting in the membership ceasing to consist of a majority of directors who were nominated by, appointed by or otherwise elected with the approval of the current board members at the time of such election by a Permitted Person.

For clarity, whether any sale, lease, transfer, conveyance or other disposition of properties or assets in connection with any acquisition (including any acquisition by means of a merger or consolidation with or into NMM or any subsidiary), the determination of whether such sale, lease, transfer, conveyance or disposition

constitutes a sale of all or substantially all of the properties or assets of NMM and its subsidiaries taken as a whole shall be made on a pro forma basis giving effect to such acquisition.

“Limited Partnership Agreement” means the Fourth Amended and Restated Agreement of Limited Partnership of Navios Maritime Partners L.P. dated as of 19 March 2018 (as may amended and supplemented from time to time);

“Permitted Person” means Angeliki Frangou or her direct descendants, either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary), or any of her affiliates, including their successors and assigns.

“Unitholders” means holders of units representing limited partnership interests in NMM.

Section 2. General.

NSM shall provide all or such portion of the Services, in a commercially reasonable manner, as NMM may from time to time direct, under its supervision.

Section 3. Covenants. During the term of this Agreement NSM shall:

(a) diligently provide, or sub-contract the provision of, the Services to NMM, in accordance with Section 19, as an independent contractor, and be responsible to NMM for the due and proper performance of same;

(b) retain at all times a qualified staff so as to maintain a level of expertise sufficient to provide the Services; and

(c) keep full and proper books of accounts and records, including but not limited to, of all costs and expenditure incurred, showing clearly all transactions relating to the provision of the Services in accordance with established general commercial practices and in accordance with United States generally accepted accounting principles, and allow NMM, its representatives, and auditors, to audit and examine such books, records and accounts at any time during customary business hours.

Section 4. Non-exclusivity. NSM and its employees may provide services of a nature similar to the Services to any other person/entity and are not obliged to provide the Services to NMM on an exclusive basis.

Section 5. Confidential Information. NSM shall be obligated to keep confidential, both during and after the term of this Agreement, all information it has acquired or developed in the course of providing the Services under this Agreement (“**Confidential Information**”), except to the extent that disclosure of such information is required by applicable law. NMM shall be entitled to any equitable remedy available at law or in equity, including specific performance, against a breach by NSM of this obligation. NSM shall not resist such application for relief on the basis that NMM has an adequate remedy at law, and NSM shall waive any requirement for the securing or posting of any bond in connection with such remedy.

Section 5.1 Notwithstanding the foregoing, 'Confidential Information' shall not include any information which: (a) was public knowledge at the time of the disclosure, or, which subsequently became public knowledge other than as a result of a breach of this Agreement; (b) NSM can show was made available to it by some other Person who had a right to do so and who was not subject to any obligation of confidentiality or restricted use regarding such information; or (c) was developed by NSM without use of any confidential information provided hereunder, or by a third party in breach of its confidentiality obligations.

Section 6. Reimbursement of Costs and Expenses. In consideration for NSM providing the Services, NMM shall reimburse NSM in the manner provided for in Schedule B to this Agreement.

Section 7. General Relationship Between The Parties. The relationship between the Parties is that of independent contractor. The Parties to this Agreement do not intend, and nothing herein shall be interpreted so as, to create a partnership, joint venture, employee or agency relationship between NSM and any one or more of NMM, including any of their Affiliates and/or subsidiaries.

Section 8. Indemnity. NMM shall indemnify and hold harmless NSM and its employees and agents against all actions, proceedings, claims, demands or liabilities which may be brought against them as a result of the provision of Services pursuant to this Agreement including, without limitation, all actions, proceedings,

claims, demands or liabilities brought under the environmental laws of any jurisdiction, and against and in respect of all costs and expenses (including legal costs and expenses on a full indemnity basis) they may suffer or incur due to defending or settling same, provided, however, that such indemnity shall exclude any and all losses, actions, proceedings, claims, demands, costs, damages, expenses and liabilities whatsoever, which may be caused by, or may be due to, the fraud, gross negligence or willful misconduct, of NSM, its employees and/or agents, in which case NSM's liability for each incident or series of incidents giving rise to such loss, action, proceeding, claim, demand, cost, damage expense, or liability, shall never exceed a total of United States Dollars five million (USD \$5,000,000).

Section 9. No consequential damages. Neither NSM nor any of its Affiliates and/or subsidiaries shall be liable for indirect, incidental or consequential damages suffered by NMM, or for punitive damages, with respect to any term or the subject matter of this Agreement, even if informed of the possibility thereof in advance. This limitation applies to all causes of action, including, without limitation, breach of contract, breach of warranty, negligence, strict liability, fraud, misrepresentation and other torts.

Section 10. Term And Termination. This Agreement shall always have a term of ten (10) years, such that without any further act or formality on the part of either Party, on each anniversary of the Effective Date, the remaining nine (9) year term shall be extended by one (1) year, unless terminated by either Party in accordance with this Section 10 (the "**Term**").

This Agreement may be terminated:

- (1) by NSM, if there is a Change of Control of NMM;
- (2) by either Party if:
 - (a) the other Party breaches this Agreement in any material respect which remains unremedied within ninety (90) days of the date of receipt of any written notice specifying the breach.
 - (b) a receiver is appointed for all or substantially all of the property of the other Party;
 - (c) an order is made to wind-up the other Party;
 - (d) a final judgment, order or decree which materially and adversely affects the ability of the other party to perform this Agreement shall have been obtained or entered against the other Party and such judgment, order or decree shall not have been vacated, discharged or stayed; or
 - (e) the other Party makes a general assignment for the benefit of its creditors, files a petition in bankruptcy or for liquidation, is adjudged insolvent or bankrupt, commences any proceeding for a reorganization or arrangement of debts, dissolution or liquidation under any law or statute or of any jurisdiction applicable thereto, or if any such proceeding shall be commenced.
- (3) At any time after the first anniversary, by either Party upon not less than three hundred and sixty-five (365) days' written notice for any reason other than any of the reasons set out above.

If this Agreement is terminated for any reason other than a breach of NSM, the Termination Fee shall become immediately due and paid within fifteen (15) days of such termination.

Section 11. Costs and Expenses Upon Termination. Upon termination of this Agreement pursuant to Section 10, NMM shall, within fifteen (15) days of termination, be obligated to pay NSM any and all amounts payable pursuant to Section 6 for any Services provided prior to the time of termination, and an amount equal to the total annual allocable administrative costs, as stated in the most recent audited annual financial statements of NMM at the time of such termination (the "**Termination Fee**").

Section 12. Insurance. NSM shall obtain and maintain any insurance as is reasonable having regard to the nature and extent of NSM's obligations under this Agreement, and in any case, obtain and maintain professional liability insurance in an amount equal to United States Dollars five million (USD \$5,000,000.00) throughout the Term of this Agreement.

Section 13. Surrender Of Books And Records. Upon termination of this Agreement, NSM shall as far as practicable, forthwith surrender to NMM any and all books, records, documents and other property in the

possession or control of NSM relating to this Agreement and to the business, finance, technology, trademarks or affairs of NMM and/or any of its subsidiaries and Affiliates and, except as required by law, shall not retain any copies of same.

Section 14. Force Majeure. NSM shall not be liable for any failure to perform its obligations hereunder by reason of any of the following force majeure events provided NSM has made all reasonable efforts to avoid, minimize or prevent the effect of such event : :

(i) acts of God;

(ii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;

(iii) riots, civil commotion, blockades or embargoes;

(iv) epidemics;

(v) earthquakes, landslides, floods or other extraordinary weather conditions;

(vi) fire, accident, explosion, except where caused by the negligence of the party seeking to invoke force majeure;

(vii) government requisition;

(viii) strikes, lockouts, or other industrial action, unless limited to the employees (which shall not in the case of NSM, include any crewing personnel) of the Party seeking to invoke force majeure; or

(ix) any other similar cause beyond the reasonable control of either Party.

Section 15. Entire Agreement. This Agreement forms the entire agreement between the Parties with respect to the subject matter hereof and supersedes and replaces all previous agreements, written or oral, with respect to the subject matter hereof.

Section 16. Severability. If any provision herein is held to be void or unenforceable, the validity and enforceability of the remaining provisions herein shall remain unaffected and enforceable.

Section 17. Currency. Unless stated otherwise, all currency references herein are to United States Dollars.

Section 18. Law And Arbitration. 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 Section. The seat of the arbitration shall be England, even where the hearing takes place outside England.

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, one to be appointed by each party and the third, subject to the provisions of the LMAA Terms, by the two so appointed. 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 in the notice, 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 arbitrator 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.

Section 19. Notices. Any notice, consent or request to be given to a Party pursuant to this Agreement shall be in writing and delivered either by courier or facsimile to the addresses provided below:

If to NMM:

85 Akti Miaouli Street
Piraeus, Greece 185 38
Attn: Mrs. Erifyli Tsironi
etsironi@Navios.com
legal_corp@Navios.com

If to NSM:

85 Akti Miaouli Street
Piraeus, Greece 185 38
Attn: Angeliki Tsakanikas
atsakanika@navios.com
legal_corp@Navios.com

All notices shall be deemed to take effect on the day of delivery, provided such notice is received before 17:00 hours (local time) on a Business Day and if not, the next Business Day.

A Party may change its address by providing written notice thereof to the other Party in accordance with this Section 19.

Section 20. Sub-contracting And Assignment. NSM shall not assign its duties and/or obligations under this Agreement to any party that is not a subsidiary or Affiliate of NSM, without the prior written consent of NMM, such consent not to be unreasonably withheld, conditioned or delayed. Without prejudice to the foregoing, NSM may freely sub-contract or sub-license this Agreement, without the prior written consent of NMM, provided that it shall remain liable for the due performance of the Services and any of its obligations under this Agreement.

Section 21. Waiver. No failure by either Party to enforce any covenant, duty, condition or term of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of any other covenant, duty condition or term of this Agreement. Any waiver must be specifically stated as such in writing.

Section 22. Amendments. No amendment, supplement, modification or restatement of any provision of this Agreement shall be binding unless it is in writing and signed by each Party to this Agreement.

Section 23. Affiliates. This Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the Parties and their respective Affiliates.

Section 24. Third Parties. A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

Section 25. Counterparts. This Agreement may be executed in one or more signed counterparts, or otherwise, all of which shall together form one and the same agreement. Signatures of this Agreement transmitted by e-mail, pdf, or by any other electronic means will be deemed valid and binding to the same extent as original signatures.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties and is effective as of the Effective Date.

NAVIOS MARITIME PARTNERS L.P.

By: /s/ Erifyli Tsironi
Name: Erifyli Tsironi

Title: Chief Financial Officer

NAVIOS SHIPMANAGEMENT INC.

By: /s/ Angeliki Tsakanikas
Name: Angeliki Tsakanikas

Title: Treasurer/Director

SCHEDULE A

SERVICES

NSM shall provide such of the following administrative support services and such additional services as the Parties may agree to NMM, as NMM may from time to time request and direct NSM to provide:

- (a) At all times, keep and maintain books, records and accounts which shall contain particulars of receipts and disbursements relating to the assets and liabilities of NMM and such books, records and accounts shall be kept pursuant to normal commercial practices that will permit NMM to prepare or cause to be prepared, financial statements in accordance with U.S. generally accepted accounting principles, the rules and regulations of the SEC, and in each case in accordance with those required to be kept by NMM under applicable federal securities laws and regulations in the United States and as NMM is required to keep and file under applicable foreign taxing regulations and the U.S. Internal Revenue Code of 1986 and the regulations applicable with respect thereto, all as amended from time to time;
 - (b) Prepare all such returns, filings and documents, for review and approval by NMM as may be required under the Limited Partnership Agreement as well as such other returns, filings, documents and instruments as may from time to time be requested or instructed by NMM; and file such documents, as applicable, as directed by NMM with the relevant authority;
 - (c) Provide, or arrange for the provision of, advisory services to NMM with respect to NMM's obligations under applicable securities laws and regulations in the United States and assist NMM in arranging for compliance with continuous disclosure and reporting obligations under applicable securities laws and regulations, including the rules and regulations of the New York Stock Exchange and any other securities exchange upon which NMM's securities are listed, including the preparation for review, approval and filing by NMM of reports and other documents with the SEC and all other applicable regulatory authorities, provided that nothing herein shall permit or authorize NSM to act for or on behalf of NMM in its relationship with regulatory authorities except to the extent that specific authorization may from time to time be given by NMM;
 - (d) Provide, or arrange for the provision of, advisory, clerical and investor relations services to assist and support NMM in its communications with its Unitholders, including in connection with disclosures that may be required for regulatory compliance to its Unitholders and the wider financial markets, as NMM may from time to time request or direct, provided that nothing herein shall permit or authorize NSM to determine the content of any such communications by NMM to its Unitholders and the wider financial markets;
 - (e) At the request and under the direction of NMM, handle, or arrange for the handling of, all administrative and clerical matters in respect of (i) the call and arrangement of all meetings of the Unitholders pursuant to the Limited Partnership Agreement, (ii) the preparation of all materials (including notices of meetings and information circulars) in respect thereof and (iii) the submission of all such materials to NMM in sufficient time prior to the dates upon which they must be mailed, filed or otherwise relied upon so that NMM has full opportunity to review them, approve them, execute them and return them to NSM for filing or mailing or other disposition as NMM may require or direct;
 - (f) Provide, or arrange for the provision of, or secure sufficient and necessary office space, equipment and personnel including all accounting, clerical, secretarial, corporate and administrative services as may be reasonably necessary for the performance of NMM's business;
 - (g) Arrange for the provision of such audit, accounting, legal, insurance and other professional services as are reasonably required by NMM from time to time in connection with the discharge of its responsibilities under the Limited Partnership Agreement, to the extent such advice and analysis can be reasonably provided or arranged by NSM, provided that nothing herein shall permit NSM to select the auditor of NMM, which shall be selected in accordance with the provisions for the appointment of the auditor pursuant to the Limited Partnership Agreement or as otherwise be required by law governing NMM, or to communicate with the auditor other than in the ordinary course of making such books and records available for review as the auditors may require and to respond to queries from the auditors with respect to the accounts and statements prepared by, or arranged by, NSM, and in particular NSM will not have any of the authorities, rights or responsibilities of the audit committee of NMM, but shall provide, or arrange for the provision of, information to such committee as may from time to time be required or requested; and provided further that nothing herein shall entitle NSM to retain legal counsel for NMM unless such selection is specifically approved by NMM;
-

- (h) Provide, or arrange for the provision of, such assistance and support as NMM may from time to time request in connection with any new or existing financing for NMM, such assistance and support to be provided in accordance with the direction, and under the supervision of NMM;
 - (i) Provide, or arrange for the provision of, such administrative and clerical services as may be required by NMM to support and assist NMM in considering any future acquisitions, including construction of assets or divestments of assets of NMM, all under the direction and under the supervision of NMM;
 - (j) Provide, or arrange for the provision of, such support and assistance to NMM as NMM may from time to time request in connection with any future offerings of Units that NMM may at any time determine is desirable for NMM, all under the direction and supervision of NMM;
 - (k) Provide, or arrange for the provision of, at the request and under the direction of NMM, such communications to the transfer agent for NMM as may be necessary or desirable;
 - (l) Prepare and provide, or arrange for the preparation and provision of, regular cash reports and other accounting information for review by NMM, so as to permit and enable NMM to make all determinations of financial matters required to be made pursuant to the Limited Partnership Agreement, including the determination of amounts available for distribution by NMM to its Unitholders, and to assist NMM in making arrangements with the transfer agent for NMM for the payment of distributions to the Unitholders in accordance with the Limited Partnership Agreement;
 - (m) Provide, or arrange for the provision of, such assistance to NMM as NMM may request or direct with respect to the performance of the obligations to the Unitholders under the Limited Partnership Agreement and to provide monitoring of various obligations and rights under agreements entered into by NMM and provide advance reports on a timely basis to NMM advising of steps, procedures and compliance issues under such agreements, so as to enable NMM to make all such decisions as would be necessary or desirable thereunder;
 - (n) Provide, or arrange for the provision of, such additional administrative and clerical services pertaining to NMM, the assets and liabilities of NMM and the Unitholders and matters incidental thereto as may be reasonably requested by NMM from time to time;
 - (o) Negotiate and arrange, at the request and under the direction of NMM, for interest rate swap agreements, foreign currency contracts, forward exchange contracts and any other hedging arrangements;
 - (p) Provide, or arrange for the provision of, IT services;
 - (q) Maintain, or arrange for the maintenance of, NMM's and NMM's subsidiaries' existence and good standing in necessary jurisdictions;
 - (r) Negotiate, at the request and under the direction of NMM, loan and credit terms with lenders and monitor and maintain compliance therewith;
 - (s) Provide, or arrange for the provision of, at the request and under the direction of NMM, cash management and services, including assistance with preparation of budgets, overseeing banking services and bank accounts and arranging for the deposit of funds; and
 - (t) Monitor the performance of investment managers.
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SCHEDULE B

COSTS AND EXPENSES

(a) Within thirty (30) days after the end of each month, NSM shall submit to NMM for payment an invoice for reimbursement of all Costs and Expenses in connection with the provision of the Services listed in Schedule A by NSM to NMM for that month. Each statement will contain such supporting details as may be reasonably required to validate such amounts due.

(b) NMM shall make payment within thirty (30) days of the date of each invoice (any such day on which a payment is due, the “**Due Date**”).

(c) All invoices for Services are payable in U.S. dollars. Any invoice not paid within thirty (30) days from the Due Date shall bear an interest at the rate of 5.00% per annum over US\$ SOFR from such Due Date until the date that the payment is received in full by NSM.

Dated 26 June 2024

\$95,000,000

REVOLVING CREDIT FACILITY

**ARKOI SHIPPING CORPORATION
JOY SHIPPING CORPORATION
AVERY SHIPPING COMPANY
ASTYPALAIA SHIPPING CORPORATION
KINAROS SHIPPING CORPORATION
VENETIKO SHIPPING CORPORATION**

as joint and several Borrowers
and Hedge Guarantors

ABN AMRO BANK N.V.
as Arranger

ABN AMRO BANK N.V.
as Facility Agent

and

ABN AMRO BANK N.V.
as Security Agent

FACILITY AGREEMENT

secured on six bulk carrier vessels

WATSON FARLEY
&
WILLIAMS

Index

Clause	Page
Section 1 Interpretation	3
1 Definitions and Interpretation	3
Section 2 The Facility	34
2 The Facility	34
3 Purpose	34
4 Conditions of Utilisation	34
Section 3 Utilisation	36
5 Utilisation	36
Section 4 Repayment, Prepayment and Cancellation	39
6 Repayment	39
7 Prepayment and Cancellation	41
Section 5 Costs of Utilisation	46
8 Rate Switch	46
9 Interest	47
10 Interest Periods	51
11 Changes to the Calculation of Interest	51
12 Fees	54
Section 6 Additional Payment Obligations	55
13 Tax Gross Up and Indemnities	55
14 Increased Costs	59
15 Other Indemnities	61
16 Mitigation by the Finance Parties	64
17 Costs and Expenses	64
Section 7 Joint and Several Liability of Borrowers and Guarantee	66
18 Joint and Several Liability of the Borrowers	66
19 Guarantee and Indemnity – Hedge Guarantors	67
Section 8 Representations, Undertakings and Events of Default	71
20 Representations	71
21 Information Undertakings	79
22 General Undertakings	82
23 Insurance Undertakings	89
24 Ship Undertakings	95
25 Security Cover	101
26 Accounts, application of Earnings and Hedge Receipts	103
27 Events of Default	104
Section 9 Changes to Parties	110
28 Changes to the Lenders and Hedge Counterparties	110
29 Changes to the Transaction Obligors	115
Section 10 The Finance Parties	116
30 The Facility Agent and the Arranger	116
31 The Security Agent	126
32 Conduct of Business by the Finance Parties	141
33 Sharing among the Finance Parties	142
Section 11 Administration	144
34 Payment Mechanics	144
35 Set-Off	147
36 Bail-In	148

37	Notices	148
38	Calculations and Certificates	150
39	Partial Invalidity	151
40	Remedies and Waivers	151
41	Entire Agreement	151
42	Settlement or Discharge Conditional	151
43	Irrevocable Payment	151
44	Amendments and Waivers	152
45	Confidential Information	156
46	Confidentiality of Funding Rates	160
47	Counterparts	161
	Section 12 Governing Law and Enforcement	162
48	Governing Law	162
49	Enforcement	162

Schedules

	Schedule 1 The Parties	163
	Part A The Obligors	163
	Part B The Original Lenders	168
	Part C The Servicing Parties	169
	Schedule 2 Conditions Precedent	170
	Part A Conditions Precedent to any Utilisation Request	170
	Part B Conditions Precedent to Release – Tranche A	172
	Part C Conditions Precedent to Utilisation – Advances under Tranche B	174
	Schedule 3 Utilisation Request	176
	Schedule 4 Form of Transfer Certificate	178
	Schedule 5 Form of Assignment Agreement	180
	Schedule 6 Details of the Ships and Other Definitions	183
	Schedule 7 Timetables	186
	Schedule 8 Reference Rate Terms	187
	Schedule 9 Daily Non-Cumulative Compounded RFR Rate	191
	Schedule 10 Cumulative Compounded RFR Rate	193

Execution

	Execution Pages	194
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THIS AGREEMENT is made on 26 June 2024

PARTIES

- (1) **ARKOI SHIPPING CORPORATION**, a corporation incorporated in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower ("**Borrower A**")
- (2) **JOY SHIPPING CORPORATION**, a corporation incorporated in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower ("**Borrower B**")
- (3) **AVERY SHIPPING COMPANY**, a corporation incorporated in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower ("**Borrower C**")
- (4) **ASTYPALAIYA SHIPPING CORPORATION**, a corporation incorporated in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower ("**Borrower D**")
- (5) **KINAROS SHIPPING CORPORATION**, a corporation incorporated in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower ("**Borrower E**")
- (6) **VENETIKO SHIPPING CORPORATION**, a corporation incorporated in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower ("**Borrower F**")
- (7) **THE COMPANIES** listed in Part A of Schedule 1 (*The Parties*) as hedge guarantors (the "**Hedge Guarantors**")
- (8) **ABN AMRO BANK N.V.** as arranger (the "**Arranger**")
- (9) **THE FINANCIAL INSTITUTIONS** listed in Part B of Schedule 1 (*The Parties*) as lenders (the "**Original Lenders**")
- (10) **THE FINANCIAL INSTITUTIONS** listed in Part B of Schedule 1 (*The Parties*) as hedge counterparties (the "**Hedge Counterparties**")
- (11) **ABN AMRO BANK N.V.** as agent of the other Finance Parties (the "**Facility Agent**")
- (12) **ABN AMRO BANK N.V.** as security agent for the Secured Parties (the "**Security Agent**")

BACKGROUND

- (A) The Lenders have agreed to make available to the Borrowers a reducing revolving credit facility in a principal amount of up to \$95,000,000 in two Tranches and multiple Advances, as follows:
 - (i) Tranche A, not exceeding the lesser of (i) \$45,000,000 and (ii) 62.5 per cent. of the aggregate Initial Market Value of Ship A, Ship B and Ship C; and

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(ii) Tranche B, not exceeding the lesser of (i) \$50,000,000 and (ii) 62.5 per cent. of the aggregate Initial Market Value of Ship D, Ship E and Ship F,

for the purpose of refinancing the Existing Indebtedness secured on Ship B and Ship C and refinancing in part the acquisition cost of Ship A, Ship D, Ship E and Ship F and towards the general corporate and working capital purposes of the Group.

(B) The Hedge Counterparties have agreed to enter into interest rate swap transactions with the Borrowers from time to time to hedge the Borrowers' exposure under this Agreement to interest rate fluctuations.

OPERATIVE PROVISIONS

SECTION 1

INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement:

"2002 ISDA Master Agreement" means the 2002 Master Agreement as published by the International Swaps and Derivatives Association, Inc.

"Account Bank" means ABN AMRO Bank N.V. acting through its office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands or any replacement bank or other financial institution as may be approved by the Facility Agent acting with the authorisation of the Majority Lenders.

"Account Security" means a document creating Security over any Earnings Account in agreed form.

"Additional Business Day" means any day specified as such in the Reference Rate Terms.

"Advance" means any Utilisation of the Facility under this Agreement.

"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.

"Approved Brokers" means any firm or firms of insurance brokers approved in writing by the Facility Agent, acting with the authorisation of the Majority Lenders.

"Approved Classification" means, in relation to a Ship, as at the date of this Agreement, the classification in relation to that Ship specified in Schedule 6 (*Details of the Ships and Other Definitions*) with the relevant Approved Classification Society or the equivalent classification with another Approved Classification Society.

"Approved Classification Society" means, in relation to a Ship, as at the date of this Agreement, the classification society in relation to that Ship specified in Schedule 6 (*Details of the Ships and Other Definitions*) or any other classification society approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders which authorisation no Lender shall unreasonably withhold.

"Approved Flag" means, in relation to a Ship, as at the date of this Agreement, the flag in relation to that Ship specified in Schedule 6 (*Details of the Ships and Other Definitions*) or such other flag and, if applicable port of registry, approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders which authorisation no Lender shall unreasonably withhold and which authorisation shall not be withheld in the case of the flag of Panama, Cyprus, Liberia, Malta, Portugal or the Marshall Islands and a reference to "the Approved Flag" in respect of a Ship shall be a reference to the flag and, if applicable port of

registry, under which that Ship is then flagged with the agreement of the Facility Agent acting with the authorisation of the Majority Lenders.

"Approved Manager" means, in relation to a Ship:

- (a) Navios Shipmanagement Inc., a corporation domesticated in the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as commercial and/or technical manager of that Ship; and/or
- (b) any Subsidiary or Affiliate of Navios Shipmanagement Holdings Corporation, a corporation incorporated in the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 or of Mrs. Angeliki Frangou or any other person approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders which authorisation no Lender shall unreasonably withhold, as the commercial and/or technical manager of that Ship.

"Approved Valuer" means Affinity Shipbrokers, Arrow Valuations, Associated Shipbroking Monaco, Braemar ACM Valuations, BRS Barry Rogliano Salles, Cass Technava, Clarksons, Drewry Maritime Services, Fearnleys, Ifchor Galbraiths, Gibson Shipbrokers, Grieg Shipbrokers, Howe Robinson, Kontiki, Lorentzen & Stemoco, Maersk Shipbrokers, Pareto Shipbrokers, SSY, Sterling Shipbrokers, VesselsValue (or any Affiliate of such person through which valuations are commonly issued) and any other firm or firms of independent sale and purchase shipbrokers approved in writing by the Facility Agent, acting with the authorisation of the 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.

"Assignment Agreement" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, legalisation or registration.

"Availability Period" means the period from and including the date of this Agreement to and including the date falling one Month before the last Reduction Date.

"Available Commitment" means a Lender's Commitment minus:

- (a) the amount of its participation in the outstanding Advances; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any other Advance that is due to be made on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Utilisation, that Lender's participation in any Advance that is due to be repaid or prepaid on or before the proposed Utilisation Date shall not be deducted from that Lender's Commitment.

"Available Facility" means the aggregate for the time being of each Lender's Available Commitment.

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail-In Legislation.

"Borrower" means Borrower A, Borrower B, Borrower C, Borrower D, Borrower E or Borrower F.

"Break Costs" means:

- (a) in respect of any Compounded Rate Loan, any amount specified as such in the Reference Rate Terms; and
- (b) in respect of any Term Rate Loan, the amount (if any) by which:
 - (i) the interest (excluding the Margin) 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 that 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 for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Amsterdam, Piraeus and New York and, in relation to:

- (a) the fixing of an interest rate in respect of a Term Rate Loan;
- (b) any date for payment or purchase of an amount relating to a Compounded Rate Loan; or
- (c) 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,

which is an Additional Business Day relating to that Term Rate Loan or Compounded Rate Loan (as the case may be).

"**Central Bank Rate**" has the meaning given to that term in the Reference Rate Terms.

"**Central Bank Rate Adjustment**" has the meaning given to that term in the Reference Rate Terms.

"**Central Bank Rate Spread**" has the meaning given to that term in the Reference Rate Terms.

"**Change of Control**" has the meaning given to it in Clause 7.2 (*Change of control*).

"**Charter**" means, in relation to a Ship, any charter relating to that Ship, or other contract for its employment, whether or not already in existence.

"**Charter Assignment**" means an assignment of a Charter and any Charter Guarantee which is assignable pursuant to Clause 24.22 (*Charter assignment*) in favour of the Security Agent in form and substance satisfactory to the Security Agent.

"**Charter Guarantee**" means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

"**Code**" means the US Internal Revenue Code of 1986.

"**Commitment**" means a Tranche A Commitment or a Tranche B Commitment.

"**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.

"**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, any part of the Loan or, if applicable, Unpaid Sum which is not a Term Rate Loan.

"**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 Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day.

"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 45 (*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 US Securities and Exchange Commission and any US stock exchange applicable to the Guarantor; and
- (ii) any Funding Rate.

"Confidentiality Undertaking" means a confidentiality undertaking in substantially the appropriate form recommended by the LMA from time to time or in any other form agreed between the Borrowers and the Facility Agent.

"Corresponding Debt" means any amount, other than any Parallel Debt, which an Obligor owes to a Secured Party under or in connection with the Finance Documents.

"Cumulative Compounded RFR Rate" means, in relation to an Interest Period for 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 (*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 9 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Rate**" means the rate specified as such in the Reference Rate Terms.

"**Deed of Covenant**" means, in relation to a Ship, if required by the laws of the Approved Flag of that Ship, a deed of covenant collateral to the Mortgage over that Ship and creating Security over that Ship in agreed form.

"**Deed of Release**" means a deed releasing the Existing Security in a form acceptable to the Facility Agent.

"**Default**" means an Event of Default or a Potential Event of Default.

"**Defaulting Lender**" means any Lender:

- (a) which has failed to make its participation in an Advance available (or has notified the Facility Agent or the Borrower (which has notified the Facility Agent) that it will not make its participation in an Advance available) by the Utilisation Date of that Advance in accordance with Clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; and
 - (C) payment is made within three Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"**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 a Borrower 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 Account Bank designated "Earnings Account";
- (b) any other account in the name of that Borrower with the Account Bank which may, with the prior written consent of the Facility Agent, be opened in the place of the account referred to in paragraph (a) above, irrespective of the number or designation of such replacement account; or
- (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 Law.

"Environmental Claim" means any claim by any governmental, judicial or regulatory authority or any other person which arises out of an Environmental Incident or an alleged Environmental Incident or which relates to any Environmental Law and, for this purpose, "claim" includes a claim for damages, compensation, contribution, injury, fines, losses and penalties or any other payment of any kind, including in relation to clean-up and removal, whether or not similar to the foregoing; an order or direction to take, or not to take, certain action or to desist from or suspend certain action; and any form of enforcement or regulatory action, including the arrest or attachment of any asset.

"Environmental Incident" means:

- (a) any release, emission, spill or discharge of Environmentally Sensitive Material whether within a Ship or from a Ship into any other vessel or into or upon the air, water, land or soils (including the seabed) or surface water; or
- (b) any incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water from a vessel other than any Ship and which involves a collision between any Ship and such other vessel or some other incident of navigation or operation, in either case, in connection with which a Ship is actually or potentially liable to be arrested, attached, detained or injuncted and/or a Ship and/or any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action; or
- (c) any other incident in which Environmentally Sensitive Material is released, emitted, spilled or discharged into or upon the air, water, land or soils (including the seabed) or surface water otherwise than from a Ship and in connection with which a Ship is actually or potentially liable to be arrested and/or where any Transaction Obligor and/or any operator or manager of a Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action.

"Environmental Law" means any present or future law relating to vessel disposal, energy efficiency, carbon reduction, emissions, emissions trading, pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation,

handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

"**Environmentally Sensitive Material**" means and includes all contaminants, oil, oil products, toxic substances and any other substance (including any chemical, gas or other hazardous or noxious substance) which is (or is capable of being or becoming) polluting, toxic or hazardous.

"**EU Bail-In Legislation Schedule**" means the document described as such and published by the LMA from time to time.

"**EU Blocking Regulation**" means:

- (a) any provision of the Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or
- (b) any similar blocking or anti-boycott law applicable to a Finance Party.

"**EU Ship Recycling Regulation**" means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

"**Event of Default**" means any event or circumstance specified as such in Clause 27 (*Events of Default*).

"**Existing Facility Agent**" means the "Facility Agent" as such term is defined in the Existing Facility Agreement.

"**Existing Facility Agreement**" has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"**Existing Indebtedness**" means, at any date, the outstanding Financial Indebtedness of Borrower B and Borrower C on that date under the Existing Facility Agreement.

"**Existing Security**" means any Security created to secure the Existing Indebtedness.

"**Facility**" means the revolving credit facility made available under this Agreement as described in Clause 2 (*The Facility*).

"**Facility Office**" means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than 5 Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

"**FATCA**" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

"Fee Letter" means any letter or letters dated on or about the date of this Agreement between any of the Arranger, the Facility Agent and the Security Agent and any Borrower setting out any of the fees referred to in Clause 12 (*Fees*).

"Finance Document" means:

- (a) this Agreement;
- (b) any Fee Letter;
- (c) each Utilisation Request;
- (d) any Reference Rate Supplement;
- (e) any Compounding Methodology Supplement;
- (f) any Security Document;
- (g) any Hedging Agreement;
- (h) any Manager's Undertaking;
- (i) the Guarantee;
- (j) any other document which is executed for the purpose of establishing any priority or subordination arrangement in relation to the Secured Liabilities; or
- (k) any other document designated as such by the Facility Agent and the Borrowers.

"Finance Party" means the Facility Agent, the Security Agent, the Arranger, a Lender or a Hedge Counterparty.

"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 that Ship's Earnings, its Insurances and any Requisition Compensation in relation to that Ship in agreed form.

"**Group**" means the Guarantor and its Subsidiaries for the time being (excluding any Subsidiaries whose shares are listed on any public stock exchange and whose financial statements are not consolidated into the financial statements of the Group) and "**member of the Group**" shall be construed accordingly.

"**Guarantee**" means a guarantee executed by the Guarantor in agreed form.

"**Guarantor**" means Navios Maritime Partners L.P., a limited partnership formed in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"**Hedge Receipts**" means all moneys whatsoever which are now, or later become, payable (actually or contingently) to a Borrower or the Security Agent by a Hedge Counterparty under a Hedging Agreement.

"**Hedging Agreement**" means any master agreement, confirmation, transaction, schedule or other agreement in agreed form entered into or to be entered into by a Borrower for the purpose of hedging interest payable under this Agreement.

"**Hedging Agreement Security**" means, in relation to a Borrower, a hedging agreement security creating Security over that Borrower's rights and interests in any Hedging Agreement, in agreed form.

"**Hedging Prepayment Proceeds**" means any Hedge Receipts arising as a result of termination or closing out under a Hedging Agreement.

"**Historic Term SOFR**" means, in relation to any Term Rate Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of that Term Rate Loan and which is as of a day which is no more than five Additional Business Days before the Quotation Day.

"**Holding Company**" means, in relation to a person, any other person in relation to which it is a Subsidiary.

"**Indemnified Person**" has the meaning given to it in Clause 15.2 (*Other indemnities*).

"**Initial Charter**" has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"**Initial Charterer**" has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"**Initial Market Value**" means, in relation to a Ship, the Market Value of that Ship calculated in accordance with the valuation(s) relating to it referred to in paragraph 3.5 of Part B of Schedule 2 (*Conditions Precedent*) and paragraph 2.5 of Part C of Schedule 2 (*Conditions Precedent*).

"**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.

"**Insolvency Event**" in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;

- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (i) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (j) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (i) above; or
- (k) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"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 Historic Term SOFR" means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than five Additional Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Term Rate Loan; or
 - (ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Term Rate Loan, the most recent RFR for a day which is no more than five Additional Business Days (and no less than two Additional Business Days before the Quotation Day); and
- (b) the most recent applicable Term SOFR (as of a day which is not more than five Additional Business Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Term Rate Loan.

"Interpolated Term SOFR" means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the applicable Term SOFR (as of the Specified Time) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Term Rate Loan; or
 - (ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Term Rate Loan, the RFR for the day which is five Additional Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Specified Time) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Term Rate Loan.

"Inventory of Hazardous Materials" means, in relation to a Ship, an inventory certificate or statement of compliance (as applicable) issued by the relevant classification society or shipyard authority which is supplemented by a list of any and all materials known to be potentially hazardous utilised in the construction of, or otherwise installed on, that Ship, pursuant to the requirements of the EU Ship Recycling Regulation.

"ISM Code" means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (including the guidelines on its implementation), adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time.

"ISPS Code" means the International Ship and Port Facility Security (ISPS) Code as adopted by the International Maritime Organization's (IMO) Diplomatic Conference of December 2002, as the same may be amended or supplemented from time to time.

"**ISSC**" means an International Ship Security Certificate issued under the ISPS Code.

"**Lender**" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 28 (*Changes to the Lenders and Hedge Counterparties*),

which in each case has not ceased to be a Party as such in accordance with this Agreement.

"**LMA**" means the Loan Market Association or any successor organisation.

"**Loan**" means the aggregate amount of Advances 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, or any other part of the Loan as the context may require.

"**Lookback Period**" means the number of days specified as such in the Reference Rate Terms.

"**Major Casualty**" means, in relation to a Ship, any casualty to that Ship in relation to which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds \$1,000,000 or the equivalent in any other currency.

"**Majority Lenders**" means:

- (a) if no Advance has 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 the agreement entered into between a Borrower and an Approved Manager regarding the commercial and/or technical management of a Ship.

"**Manager's Undertaking**" means, in relation to a Ship, the letter of undertaking from its Approved Manager subordinating the rights of such Approved Manager against that Ship and the relevant Borrower to the rights of the Finance Parties in agreed form.

"**Margin**" means the percentage rate per annum specified as such in the Reference Rate Terms.

"**Market Disruption Rate**" means:

- (a) in relation to a Compounded Rate Loan, the rate specified as such in the Reference Rate Terms; and
- (b) in relation to a Term Rate Loan, the Term Reference Rate.

"Market Value" means, in relation to a Ship or any other vessel, at any date, the market value of that Ship or vessel determined in accordance with paragraph (a) of Clause 25.7 (*Provision of valuations*) and, prepared:

- (a) unless otherwise specified by the Facility Agent, as at a date not more than 30 days previously;
- (b) by an Approved Valuer or Approved Valuers;
- (c) with or without physical inspection of that Ship or vessel (as the Facility Agent may require); and
- (d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any Charter.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, operations, property or condition (financial or otherwise) of any Obligor, the Guarantor and/or the Group as a whole; or
- (b) the ability of any Transaction Obligor to perform its obligations under any Finance Document; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or intended to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

"Minimum Liquidity" has the meaning given to it in Clause 26.5 (*Minimum Liquidity*).

"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 sub-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; and
- (b) in relation to an Interest Period for any Compounded Rate Loan (or any other period for the accrual of commission or fees at a time when interest under this Agreement is being calculated pursuant to Clause 9.1 (*Calculation of interest – Compounded Rate Loans*)) for which there are rules specified as "Business Day Conventions" in the Reference 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 preferred or, as the case may be, priority ship mortgage on that Ship in agreed form or any replacement first preferred or first priority ship mortgage on that Ship under the laws of an Approved Flag in agreed form.

"**Obligor**" means a Borrower or a Hedge Guarantor.

"**Original Financial Statements**" means the annual audited consolidated financial statements of the Group for its financial year ended 31 December 2023.

"**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 31.2 (*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) each Initial Charter; and
- (b) a Charter:
 - (i) which is a time, voyage or consecutive voyage charter;
 - (ii) 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;
 - (iii) which is entered into on *bona fide* arm's length terms at the time at which that Ship is fixed; and
 - (iv) 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 which authorisation no Lender shall unreasonably withhold.

"**Permitted Financial Indebtedness**" means:

- (a) any Financial Indebtedness incurred under the Finance Documents;
- (b) in relation to Borrower B and Borrower C, until the Utilisation Date of Tranche A or, as the case may be, the Release Date, the Existing Indebtedness; and

- (c) any Financial Indebtedness (including without limitation, any shareholder or intra-Group loans made available to the Borrowers (or any of them) in the normal course of its business of trading and operating any 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) Security created by the Finance Documents;
- (b) in relation to Borrower B and Borrower C, until the Utilisation Date of Tranche A, or as the case may be, the Release Date, the Existing Security;
- (c) liens for unpaid master's and crew's wages in accordance with first class ship ownership and management practice and not being enforced through arrest;
- (d) liens for salvage;
- (e) liens for master's disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice and not being enforced through arrest;
- (f) any right of pledge and/or set off under and pursuant to the general banking conditions (*Algemene Bankvoorwaarden*) of ABN AMRO Bank N.V.; 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 24.16 (*Restrictions on chartering, appointment of managers etc.*),

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 and for the payment of which adequate reserves are held and provided further that such proceedings do not give rise to a material risk of the relevant Ship or any interest in it being seized, sold, forfeited or lost).

"Poseidon Principles" means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios originally published in June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organisation from time to time.

"Potential Event of Default" means any event or circumstance specified in Clause 27 (*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 Additional Business Days before the first day of that period unless market practice differs in the relevant syndicated loan market in which case the Quotation Day will be determined by the Facility Agent in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"**Quoted Tenor**" means any period for which Term SOFR is customarily displayed on the relevant page or screen of an information service.

"**Rate Switch Date**" has the meaning given to it in Clause 8.1 (*Optional Switch to Term Reference Rate*).

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

"**Reduction Date**" means each date by which the Facility must be reduced set out in paragraph (a) of Clause 6.2 (*Reduction of the Facility*).

"**Reduction Instalment**" means each instalment for reduction of the Advances under the Facility referred to in paragraph (a) of Clause 6.2 (*Reduction of the Facility*), including each balloon instalment.

"**Reference Rate Supplement**" means a document which:

- (a) is agreed in writing by the Borrowers and the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);
- (b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Reference Rate Terms; and
- (c) has been made available to the Borrowers and each Finance Party.

"**Reference Rate Terms**" means the terms set out in Schedule 8 (*Reference Rate Terms*) or in any Reference Rate Supplement.

"**Related Fund**" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"**Release Date**" means the date on which Tranche A is to be released in accordance with the instructions contained in the relevant Utilisation Request and/or any release letter after the receipt by the Facility Agent of all documents and evidence listed in Part B of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent.

"**Relevant Amount**" has the meaning given to it in Clause 7.5 (*Mandatory prepayment on sale, refinancing or Total Loss*).

"**Relevant Date**" has the meaning given to it in Clause 7.5 (*Mandatory prepayment on sale, refinancing or Total Loss*).

"**Relevant Jurisdiction**" means, in relation to a Transaction Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any asset subject to, or intended to be subject to, any of the Transaction Security created, or intended to be created, by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it.

"**Relevant Market**" means the market specified as such in the Reference Rate Terms.

"**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 (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.

"**Representative**" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"**Requisition**" means, in relation to a Ship:

- (a) any expropriation, confiscation, requisition (excluding a requisition for hire or use which does not involve a requisition for title) or acquisition of that Ship, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected (whether *de jure* or *de facto*) by any government or official authority or by any person or persons claiming to be or to represent a government or official authority; and
- (b) any capture or seizure of that Ship (including any hijacking, piracy or theft) by any person whatsoever.

"**Requisition Compensation**" includes all compensation or other moneys payable to a Borrower by reason of any Requisition or any arrest or detention of a Ship in the exercise or purported exercise of any lien or claim.

"**Resolution Authority**" means any body which has authority to exercise any Write-down and Conversion Powers.

"**Restricted Finance Party**" has the meaning given to it in Clause 20.34 (*Sanctions*) and Clause 22.21 (*Sanctions*).

"**Restricted Party**" means a person:

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

- (b) located in, organised 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 which is a subject of country-wide or territory-wide Sanctions (including, without limitation, at the date of this Agreement, Cuba, Iran, North Korea, Syria and Sudan); or
- (c) otherwise a subject of Sanctions.

"**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.

"**Rollover Advance**" means one or more Advances:

- (a) made or to be made on the same day that a maturing Advance is due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of the maturing Advance; and
- (c) made or to be made for the purpose of refinancing that maturing Advance.

"**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.

"**Sanctioned Ship**" means a ship which is the subject of Sanctions.

"**Sanctions**" means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

"**Sanctions Authority**" means:

- (a) the Security Council of the United Nations;
- (b) the United States;
- (c) the United Kingdom;
- (d) the European Union
- (e) any member state of the European Union (including, without limitation, the Netherlands);
- (f) any country to which any Transaction Obligor is bound; and
- (g) the governments and official institutions or agencies of any of paragraphs (a) to (f) above, including without limitation the US Office of Foreign Asset Control ("**OFAC**") and the US Department of State, and His Majesty's Treasury ("**HMT**").

"**Sanctions List**" means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Consolidated List of Financial Sanctions Targets maintained by HMT, or any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time.

"Secured Liabilities" means all present and future obligations and liabilities, (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Transaction Obligor to any Secured Party under or in connection with each Finance Document.

"Secured Party" means each Finance Party from time to time party to this Agreement, a Receiver or any Delegate.

"Security" means a mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Security Assets" means all of the assets of the Transaction Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Security Document" means:

- (a) any Shares Security;
- (b) any Mortgage;
- (c) any General Assignment;
- (d) any Deed of Covenant;
- (e) any Charter Assignment;
- (f) any Account Security;
- (g) any Hedging Agreement Security;
- (h) any other document (whether or not it creates Security) which is executed as security for the Secured Liabilities; or
- (i) 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.

"Separate Advance" has the meaning given to it in paragraph (c) of Clause 6.1 (*Repayment of Advances*).

"Servicing Party" means the Facility Agent or the Security Agent.

"Shareholder" means, in relation to a Borrower, Navios Maritime Operating L.L.C., a limited liability company formed in the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

"Shares Security" means, in relation to a Borrower, a document creating Security over the share capital in that Borrower in agreed form.

"Ship" means Ship A, Ship B, Ship C, Ship D, Ship E or Ship F.

"Ship A" has the meaning given to that term in has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"Ship B" has the meaning given to that term in has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"Ship C" has the meaning given to that term in has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"Ship D" has the meaning given to that term in has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"Ship E" has the meaning given to that term in has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"Ship F" has the meaning given to that term in has the meaning given to that term in Schedule 6 (*Details of the Ships and Other Definitions*).

"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.

"**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, part of the Loan or, if applicable, Unpaid Sum which is, or becomes, a "Term Rate Loan" pursuant to Clause 8 (*Rate Switch*).

"**Term Reference Rate**" means, in relation to a Term Rate Loan:

- (a) the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Term Rate Loan; or
- (b) as otherwise determined pursuant to Clause 11.2 (*Unavailability of Term SOFR after Rate Switch Date*),

and if, in either case, that rate is less than zero, the Term Reference Rate shall be deemed to be zero.

"**Term SOFR**" means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"**Termination Date**" means the date falling on the earlier of (i) 31 October 2029 and (ii) the last Reduction Date of the Tranche B Commitment.

"**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 up to \$95,000,000 at the date of this Agreement.

"**Total Loss**" means, in relation to a Ship:

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship; or

- (b) in the case of any of the events described in paragraph (a) of the definition "Requisition", any such Requisition of a Ship unless that Ship is returned to the full control of the relevant Borrower within 60 days of such Requisition; and
- (c) in the case of any of the events described in paragraph (b) of the definition "Requisition", any such Requisition of a Ship unless that Ship is returned to the full control of the relevant Borrower within 90 days of such Requisition, provided that in the event of piracy if the relevant underwriters confirm to the Facility Agent in writing (in customary terms) prior to the end of the 90-day period that the relevant Ship is subject to an approved piracy insurance cover, the earlier of 12 Months after the date on which that Ship is captured by pirates and the date on which the piracy insurance cover expires.

"Total Loss Date" means, in relation to the Total Loss of a Ship:

- (a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) the date on which a notice of abandonment is given (or deemed or agreed to be given) to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the relevant Borrower with that Ship's insurers in which the insurers agree to treat that Ship as a total loss; and
- (c) in the case of any other type of Total Loss, the date (or the most likely date) on which it appears to the Facility Agent that the event constituting the total loss occurred.

"Tranche" means Tranche A or Tranche B.

"Tranche A" means that part of the Loan made or to be made available to the Borrowers in a principal amount not exceeding the lesser of (i) \$45,000,000 and (ii) 62.5 per cent. of the aggregate Initial Market value of Ship A, Ship B and Ship C to enable Borrower A to finance or, as the case may be, refinance the acquisition cost of its Ship and Borrower B and Borrower C to refinance the Existing Indebtedness under the Existing Facility Agreement.

"Tranche A Commitment" means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Tranche A Commitment" in Part B of Schedule 1 (*The Parties*) and the amount of any other Tranche A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Tranche A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Tranche B" means that part of the Loan made or to be made available to the Borrowers in a principal amount not exceeding the lesser of (i) \$50,000,000 and (ii) 62.5 per cent. of the aggregate Initial Market value of Ship D, Ship E and Ship F to enable each of Borrower D,

Borrower E and Borrower F to finance or, as the case may be, refinance the acquisition cost of its Ship.

"Tranche B Commitment" means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Tranche B Commitment" in Part B of Schedule 1 (*The Parties*) and the amount of any other Tranche B Commitment transferred to it under this Agreement; and
 - (b) in relation to any other Lender, the amount of any Tranche B Commitment transferred to it under this Agreement,
- to the extent not cancelled, reduced or transferred by it under this Agreement.

"Transaction Document" means:

- (a) a Finance Document;
- (b) any Charter which is assignable in accordance with Clause 24.22 (*Charter assignment*);
- (c) any Charter Guarantee which is assignable in accordance with Clause 24.22 (*Charter assignment*); or
- (d) any other document designated as such by the Facility Agent and a Borrower.

"Transaction Obligor" means an Obligor, the Guarantor, the Shareholder, any Approved Manager who is a member of the Group or any other member of the Group who executes a Transaction Document.

"Transaction Security" means the Security created or evidenced or expressed to be created or evidenced under the Security Documents.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrowers.

"Transfer Date" means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Facility Agent executes the relevant Assignment Agreement or Transfer Certificate.

"UK Bail-In Legislation" means Part 1 of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutes or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

"UK Establishment" means a UK establishment as defined in the Overseas Regulations.

"Unpaid Sum" means any sum due and payable but unpaid by a Transaction Obligor under the Finance Documents.

"US" means the United States of America.

"US Tax Obligor" means:

- (a) a person which is resident for tax purposes in the US; or
- (b) a person some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"Utilisation" means a utilisation of the Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Advance is to be made.

"Utilisation Request" means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

"VAT" means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above, or imposed elsewhere.

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect

of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation.

1.2. Construction

(a) Unless a contrary indication appears, a reference in this Agreement to:

- (i) the "**Account Bank**", the "**Arranger**", the "**Facility Agent**", any "**Finance Party**", any "**Hedge Counterparty**", any "**Lender**", any "**Obligor**", any "**Party**", any "**Secured Party**", the "**Security Agent**", any "**Transaction Obligor**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
- (ii) "**assets**" includes present and future properties, revenues and rights of every description;
- (iii) a liability which is "**contingent**" means a liability which is not certain to arise and/or the amount of which remains unascertained;
- (iv) "**document**" includes a deed and also a letter, fax, email or telex;
- (v) 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;
- (vi) "**expense**" means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable Tax including VAT;
- (vii) a "**Finance Document**", a "**Security Document**" or "**Transaction Document**" or any other agreement or instrument is a reference to that Finance Document, Security Document or Transaction Document or other agreement or instrument as amended, replaced, novated, supplemented, extended or restated;
- (viii) a "**group of Lenders**" includes all the Lenders;
- (ix) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (x) "**law**" includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

- (xi) "**proceedings**" means, in relation to any enforcement provision of a Finance Document, proceedings of any kind, including an application for a provisional or protective measure;
 - (xii) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (xiii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xiv) a reference to a "**Ship**", its name, its flag and, if applicable, its port of registry shall include any replacement name, flag and, if applicable, replacement port of registry, in each case, as may be approved in writing from time to time by the Facility Agent acting with the authorisation of the Majority Lenders;
 - (xv) a provision of law is a reference to that provision as amended or re-enacted from time to time;
 - (xvi) a time of day is a reference to Amsterdam time;
 - (xvii) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;
 - (xviii) words denoting the singular number shall include the plural and vice versa; and
 - (xix) "**including**" and "**in particular**" (and other similar expressions) shall be construed as not limiting any general words or expressions in connection with which they are used.
- (b) 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,

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 Reference Rate Supplement overrides anything in:
 - (i) Schedule 8 (*Reference Rate Terms*); or
 - (ii) any earlier Reference 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 9 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 10 (*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 23 (*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 23 (*Insurance Undertakings*) or any other provision of this Agreement or of another Finance Document.

"**policy**" includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms.

"**protection and indemnity risks**" means the usual risks covered by a protection and indemnity association managed in London, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision.

"**war risks**" includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses

(1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent 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 44.2 (*All Lender matters*) applies, all the Lenders.

1.5. Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Affiliate, Receiver, Delegate or any other person described in paragraph (d) of Clause 15.2 (*Other indemnities*), paragraph (b) of Clause 30.11 (*Exclusion of liability*) or paragraph (b) of Clause 31.11 (*Exclusion of liability*) may, subject to this Clause 1.5 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

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 a dollar reducing revolving credit 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 purposes 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 a 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 each Advance is made available:
 - (i) in the case of a Rollover Advance, no Event of Default is continuing or would result from the proposed Advance, and in the case of any other Advance, no Default is continuing or would result from the proposed Advance;
 - (ii) the Repeating Representations to be made by each Transaction Obligor are true;
 - (iii) no event described in paragraph (a) of Clause 7.2 (*Change of control*) has occurred; and
 - (iv) each Ship has neither been sold nor become a Total Loss;
- (b) in the case of the Advance under Tranche A for the purpose of refinancing the Existing Indebtedness secured on Ship B and Ship C and refinancing in part the acquisition cost of Ship A, the Facility Agent has received on or before the relevant Utilisation Date, or is satisfied it will receive when that Advance is made available, all of the documents and other evidence listed in Part B of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Facility Agent; and
- (c) in the case of an Advance under Tranche B for the purpose of refinancing in part the acquisition cost of Ship D, Ship E and Ship F, the Facility Agent has received on or before the relevant Utilisation Date, or is satisfied it will receive when that Advance is made available, all of the documents and other evidence listed in Part C 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 relevant Utilisation Date, the Release 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) For the purpose of refinancing the Existing Indebtedness secured on Ship B and Ship C and refinancing part of the acquisition cost of Ship A, the Borrowers shall deliver one Utilisation Request under Tranche A.
- (c) For the purpose of refinancing part of the acquisition cost of Ship D, Ship E and Ship F, the Borrowers shall deliver a Utilisation Request for each of Ship D, Ship E and Ship F for an Advance under Tranche B.
- (d) The Borrowers may not deliver a Utilisation Request if, as a result of the proposed Utilisation, more than six Advances would have been made still be outstanding.

5.2. Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
 - (iii) the proposed Interest Period complies with Clause 10 (*Interest Periods*).
- (b) Only one Advance may be requested in each Utilisation Request.

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:
 - (i) in respect of the Advance under Tranche A, the lesser of (i) \$45,000,000 and (ii) 62.5 per cent. of the aggregate Initial Market Value of Ship A, Ship B and Ship C; and
 - (ii) in respect of an Advance under Tranche B,
 - (A) in relation to Ship D, an amount calculated by dividing the Initial Market Value of Ship D by the aggregate of the Initial Market Value of Ship D, Ship E and Ship F and multiplying it by the lesser of (i) \$50,000,000 and (ii) 62.5 per cent. of the aggregate of the Market Value of Ship D, Ship E and Ship F;
 - (B) in relation to Ship E, an amount calculated by dividing the Initial Market Value of Ship E by the aggregate of the Initial Market Value of Ship D, Ship E and Ship

F and multiplying it by the lesser of (i) \$50,000,000 and (ii) 62.5 per cent. of the aggregate of the Market Value of Ship D, Ship E and Ship F; and

- (C) in relation to Ship F, an amount calculated by dividing the Initial Market Value of Ship F by the aggregate of the Initial Market Value of Ship D, Ship E and Ship F and multiplying it by the lesser of (i) \$50,000,000 and (ii) 62.5 per cent. of the aggregate of the Market Value of Ship D, Ship E and Ship F.

- (c) Subject to paragraph (d) below, the amount of the proposed Advance must be a minimum of \$1,000,000.
- (d) The amount of the proposed Advance must be an amount which is not more than the Available Facility.
- (e) The amount of any Advance must be an amount which would not oblige the Borrowers to provide additional security or prepay part of the Advance if the ratio set out in Clause 25 (*Security Cover*) were applied and notice was given by the Facility Agent under Clause 25.1 (*Minimum required security cover*) immediately after the relevant Advance was made.

5.4. Lenders' participation

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 6.1 (*Repayment of Advances*) 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 and, if different, the amount of that participation to be made available in accordance with Clause 34 (*Payment Mechanics*) by the Specified Time.

5.5. Cancellation of Commitments

The Commitments which are unutilised at the end of the Availability Period shall then be cancelled.

5.6. Payment to third parties

The Borrowers irrevocably authorise the Facility Agent on the Utilisation Date in relation to Tranche A, to pay to, or for the account of, the Borrowers the amounts which the Facility Agent receives from the Lenders in respect of the Advance. That payment shall be made in like funds as the Facility Agent received from the Lenders in respect of the Advance as follows:

- (a) in relation to the amount to be applied for the purpose of refinancing the Existing Indebtedness, to the Existing Facility Agent to be released in accordance with the MT199 agreed between the Facility Agent and the Existing Facility Agent; and
- (b) in relation to the remaining amount under Tranche A, to a suspense account of the Facility Agent to be released on the Release Date to the account which the Borrowers specify in the relevant Utilisation Request.

5.7. Disbursement of Advance to third party

Payment by the Facility Agent under Clause 5.7 (*Disbursement of Advance to third party*) to a person other than the Borrowers shall constitute the making of the relevant Advance and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's participation in that Advance.

5.8. Prepositioning of funds

If, in respect of the proposed Advance under Tranche A, the Lenders, at the request of the Borrowers and on terms acceptable to all the Lenders and in their absolute discretion, preposition funds with the Existing Facility Agent, the Borrowers:

- (a) agree to pay interest on the amount of the funds so prepositioned at the rate described in Clause 9.1 (*Calculation of interest – Compounded Rate Loans*) on the basis of successive interest periods of one day and so that interest shall be paid together with the first payment of interest on such Advance after the Utilisation Date in respect of it or, if such Utilisation Date does not occur, within three Business Days of demand by the Facility Agent; and
- (b) shall, without duplication, indemnify each Finance Party against any costs, loss or liability it may incur in connection with such arrangement.

SECTION 4

REPAYMENT, PREPAYMENT AND CANCELLATION

6. REPAYMENT

6.1. Repayment of Advances

- (a) Subject to paragraph (c) below, the Borrowers shall repay each Advance on the last day of its Interest Period.
- (b) Without prejudice to the Borrowers' obligation under paragraph (a) above, if:
- (i) an Advance is to be made available:
 - (A) on the same day that a maturing Advance is due to be repaid; and
 - (B) in whole or in part for the purpose of refinancing the maturing Advance; and
 - (ii) the proportion borne by each Lender's participation in the maturing Advance to the amount of that maturing Advance is the same as the proportion borne by that Lender's participation in the new Advance to the amount of the new Advance,

the amount of the new Advance shall, unless the Borrowers notify the Facility Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Advance so that:

- (A) if the amount of the maturing Advance exceeds the amount of the new Advance:
 - (1) the Borrowers will only be required to make a payment under Clause 34.1 (*Payments to the Facility Agent*) in an amount equal to that excess; and
 - (2) each Lender's participation in the new Advance shall be treated as having been made available and applied by the Borrowers in or towards repayment of that Lender's participation in the maturing Advance and that Lender will not be required to make a payment under Clause 34.1 (*Payments to the Facility Agent*) in respect of its participation in the new Advance; and
- (B) if the amount of the maturing Advance is equal to or less than the amount of the new Advance:
 - (1) the Borrowers will not be required to make a payment under Clause 34.1 (*Payments to the Facility Agent*); and
 - (2) each Lender will be required to make a payment under Clause 34.1 (*Payments to the Facility Agent*) in respect of its participation in the new Advance only to the extent that its participation in the new Advance exceeds that Lender's participation in the maturing Advance and the remainder of that Lender's participation in the new Advance shall be treated as having been made available and applied by the

Borrowers in or towards repayment of that Lender's participation in the maturing Advance.

- (c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Advances then outstanding will be automatically extended to the last day of the Availability Period and will be treated as separate Advances (the "**Separate Advances**").
- (d) If the Borrowers make a prepayment of an Advance pursuant to Clause 7.4 (*Voluntary prepayment of Advances*), the Borrowers may prepay a Separate Advance by giving not less than 10 Business Days' prior indicative notice and five Business Days' confirmative and irrevocable notice to the Facility Agent. The proportion borne by the amount of the prepayment of the Separate Advance to the amount of the Separate Advances shall not exceed the proportion borne by the amount of the prepayment of an Advance to the Advances. The Facility Agent will forward a copy of a prepayment notice received in accordance with this paragraph (d) to the Defaulting Lender concerned as soon as practicable on receipt.
- (e) Interest in respect of a Separate Advance will accrue for successive Interest Periods selected by the Borrowers by the time and date specified by the Facility Agent (acting reasonably) and will be payable by the Borrowers to the Facility Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Advance.
- (f) The terms of this Agreement relating to Advances generally shall continue to apply to Separate Advances other than to the extent inconsistent with paragraphs (c) to (e) above, in which case those paragraphs shall prevail in respect of any Separate Advance.

6.2. Reduction of the Facility

- (a) The Total Commitments shall be reduced in instalments on each Reduction Date:
 - (i) in relation to the Tranche A Commitment, by 20 equal consecutive quarterly instalments, each in an amount of \$1,375,000, the first of which shall be repaid on the date falling three Months after the earlier of (i) the Utilisation Date in respect of the Tranche A and (ii) 30 September 2024 and a balloon instalment in an amount of \$17,500,000 payable with the last reduction instalment relating to the Tranche A Commitment; and
 - (ii) in relation to the Tranche B Commitment, by 20 equal consecutive quarterly instalments, each in an amount of \$1,500,000, the first of which shall be repaid on the date falling three Months after the earlier of (i) the Utilisation Date of the third Advance in respect of Tranche B and (ii) 31 January 2025 and a balloon instalment in an amount of \$20,000,000 payable with the last reduction instalment relating to the Tranche B Commitment.
- (b) The Borrowers shall ensure that sufficient Advances are repaid on a Reduction Date to the extent necessary so that the aggregate of the outstanding Advances (after that repayment) is equal to or less than the reduced amount of the Total Commitments.
- (c) Any reduction of the Total Commitments in accordance with this Clause shall reduce rateably the Commitment of each Lender.

6.3. 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.

6.4. Reborrowing

Unless a contrary indication appears in this Agreement, any part of the Facility which is repaid or prepaid may be reborrowed in accordance with the terms of this Agreement.

6.5. Effect of cancellation and prepayment on scheduled reductions

- (a) If the Borrowers cancel the whole or any part of any Available Commitment in accordance with Clause 7.7 (*Right of repayment and cancellation in relation to a single Lender*) or if an Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality and Sanctions affecting a Lender*) then the amount of the Reduction Instalment for each Reduction Date falling after that cancellation will reduce *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 cancellation*) or if the whole or part of any Commitment is cancelled pursuant to Clause 5.5 (*Cancellation of Commitments*) the amount of the Reduction Instalment for each Reduction Date falling after that cancellation will reduce *pro rata* by the amount of the Commitments so cancelled.
- (c) If any Advance is repaid or prepaid in accordance with Clause 7.7 (*Right of repayment and cancellation in relation to a single Lender*) or Clause 7.1 (*Illegality and Sanctions affecting a Lender*) then the amount of the Reduction Instalment for each Reduction Date falling after that repayment or prepayment will reduce *pro rata* by the amount of those Advances repaid or prepaid.
- (d) If any Advance is prepaid in accordance with Clause 7.4 (*Voluntary prepayment of Advances*) pursuant to Clause 25 (*Security Cover*) or any Advance is prepaid in accordance with Clause 7.5 (*Mandatory prepayment on sale, refinancing or Total Loss*) or Clause 7.6 (*Mandatory prepayment of Hedging Prepayment Proceeds*) then the amount of the Reduction Instalment for each Reduction Date falling after that repayment or prepayment will reduce *pro rata* by the amount of those Advances repaid or prepaid.

7. PREPAYMENT AND CANCELLATION

7.1. Illegality and Sanctions affecting a Lender

If it becomes unlawful or contrary to Sanctions 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 to determine or charge interest rates based upon Term SOFR, or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Facility Agent upon becoming aware of that event;
- (b) upon the Facility Agent notifying the Borrowers, the Available Commitment of that Lender will be immediately cancelled;

- (c) the Borrowers shall prepay that Lender's participation in the Loan on the last day of the Interest Period for the Loan occurring after the Facility Agent has notified the Borrowers or, if earlier, the date specified by the Lender in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participation prepaid; and
- (d) accrued interest and all other amounts accrued for that Lender under the Finance Documents shall be immediately due and payable.

7.2. Change of control

- (a) If there is a Change of Control:
 - (i) the Borrowers shall, and shall procure that the Guarantor shall, promptly notify the Facility Agent upon becoming aware of that event; and
 - (ii) the Facility Agent shall, by not less than 30 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.
- (b) In this Clause 7.2 (*Change of control*):

"Change of Control" means a change which results in:

- (a) Mrs. Angeliki Frangou and her direct descendants (either directly or indirectly) (through entities owned and controlled by her or trusts or foundations of which she is a beneficiary) or any of their Affiliates ceasing to be the owner of, or having ultimate control of the voting rights attaching to more than five per cent. 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) or any of their Affiliates, ceasing to be the owner of, or having ultimate control of the voting rights attaching to all the issued shares in the general partner of the Guarantor, which is currently Olympos Maritime Ltd; or
- (c) Mrs. Angeliki Frangou ceasing to act as chairwoman or chief executive officer of the Guarantor and Olympos Maritime Ltd ceasing to be the general partner of the Guarantor; or
- (d) the Guarantor ceasing to be the owner of, directly or indirectly, the issued shares in each Borrower.

7.3. Voluntary cancellation

The Borrowers may, if they give the Facility Agent not less than 10 Business Days' (or such shorter period as the Majority Lenders may agree) prior indicative notice and five Business Day's (or such shorter period as the Majority Lenders may agree) confirmative and irrevocable notice, cancel the whole or any part (being a minimum amount of \$500,000) of an Available

Facility. Any cancellation under this Clause 7.3 (*Voluntary cancellation*) shall reduce the Commitments of the Lenders rateably under the Facility *pro rata*.

7.4. Voluntary prepayment of Advances

- (a) Subject to paragraph (b) below, the Borrower may, if it gives the Facility Agent not less than 10 Business Days' (or such shorter period as the Majority Lenders may agree) prior indicative notice and five Business Day's (or such shorter period as the Majority Lenders may agree) confirmative and irrevocable notice, prepay the whole or any part of an Advance (but, if in part, being an amount that reduces the amount of the relevant Advance by a minimum amount of \$500,000).
- (b) There may be no more than two voluntary prepayments of any Advance or part of an Advance under the Facility made in each 12-month period (the first beginning on the date of this Agreement) unless the relevant prepayment is made at the end of an Interest Period relating to the relevant Advance where interest is being calculated by reference to the Compounded Reference Rate.

7.5. Mandatory prepayment on sale, refinancing or Total Loss

- (a) If a Ship is sold (without prejudice to paragraph (a) of Clause 22.12 (*Disposals*)), refinanced by another bank or financial institution or becomes a Total Loss, the Borrowers shall on the Relevant Date prepay the Relevant Amount.
- (b) In this Clause 7.5 (*Mandatory prepayment on sale or Total Loss*):

"**Relevant Amount**" means, in relation to a Ship which has been sold, refinanced or become a Total Loss, an amount which after the prepayment to be made pursuant to paragraph (a) of Clause 7.5 (*Mandatory prepayment on sale, refinancing or Total Loss*) results in the security cover referred to in the ratio set out in 25.1 (*Minimum required security cover*) being at least equal to the greater of (i) the ratio set out in 25.1 (*Minimum required security cover*) and (ii) the Relevant Security Cover Ratio which applied immediately prior to the event described in paragraph (a) of Clause 7.5 (*Mandatory prepayment on sale, refinancing or Total Loss*).

"**Relevant Date**" means:

- (a) in the case of a sale of the Ship, on or before the date on which the sale is completed by delivery of the Ship to the buyer;
- (b) in the case of a Total Loss of a Ship, on the earlier of:
 - (i) the date falling 150 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; and
- (c) in the case of refinancing, on or before the date on which the refinancing is completed.

"**Relevant Security Cover Ratio**" means, at any relevant time, the aggregate of:

- (a) the aggregate of the Market Value of the Ships; plus

- (b) the net realisable value of any additional security provided at that time under Clause 25.2 (*Provision of additional security; prepayment*),

expressed as a percentage of the Available Facility.

7.6. Mandatory prepayment of Hedging Prepayment Proceeds

Any Hedging Prepayment Proceeds arising as a result of any cancellation or reduction of the Available Facility shall be paid to the Security Agent on the date of such cancellation or reduction of the Available Facility and shall be applied on the last day of the next Interest Period for the Loan which ends after such payment, in prepayment of the Loan.

7.7. Right of repayment and cancellation in relation to a single Lender

(a) If:

- (i) any sum payable to any Lender by a Transaction Obligor is required to be increased under paragraph (c) of Clause 13.2 (*Tax gross-up*) or under that clause as incorporated by reference or in full in any other Finance Document; or
- (ii) any Lender claims indemnification from a Borrower under Clause 13.3 (*Tax indemnity*) or Clause 14.1 (*Increased costs*); or
- (iii) the Facility Agent receives notification from a Lender under Clause 11.3 (*Market disruption*),

the Borrowers may:

- (A) whilst in the case of sub-paragraphs (i) and (ii) above the circumstance giving rise to the requirement for that increase or indemnification continues; or
- (B) whilst in the case of sub-paragraph (iii) above the situation in relation to the relevant Lender continues,

give the Facility Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan.

- (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.

7.8. Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made, the amount of that cancellation or prepayment and, if relevant, the part of the Loan to be prepaid or cancelled.

- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and amounts (if any) payable under the Hedging Agreements in connection with that prepayment and, subject to any Break Costs, without premium or penalty.
- (c) Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid may be reborrowed in accordance with the terms of this Agreement.
- (d) No Borrower shall repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Facility Agent receives a notice under this Clause 7 (*Prepayment and Cancellation*) it shall promptly forward a copy of that notice to either the Borrowers or the affected Lenders and/or Hedge Counterparties, as appropriate.
- (g) If all or part of any Lender's participation in an Advance is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

7.9. Application of prepayments

Any prepayment of any part of the Loan (other than a prepayment pursuant to Clause 7.1 (*Illegality and Sanctions affecting a Lender*) or Clause 7.7 (*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. Optional Switch to Term Reference Rate

- (a) The Borrowers may elect to switch the basis on which interest is calculated on the Loan from the Compounded Reference Rate to the Term SOFR Reference Rate by giving the Lenders not less than 30 Business Days' notice in writing (the "**Optional Election Notice**") specifying the date (which must be the first day of an Interest Period) on which they wish the switch to occur (the "**Proposed Optional Rate Switch Date**"). Unless any Lender notifies the Facility Agent in writing not less than five Business Days before the Proposed Optional Rate Switch Date that they are unable to agree to interest being calculated on the basis of Term SOFR, the Proposed Optional Rate Switch Date shall be the "Rate Switch Date" and, on and from the Rate Switch Date:
- (i) use of the Term Reference Rate will replace the use of the Compounded Reference Rate for the calculation of interest for the Loan or any part of the Loan; and
 - (ii) the Loan or any part of the Loan or Unpaid Sum shall be a "Term Rate Loan" and Clause 9.2 (*Calculation of interest – Term Rate Loans*) shall apply to the Loan, any such part of the Loan or Unpaid Sum.
- (b) The Borrowers may serve not more than one Optional Election Notice pursuant to paragraph (a) of Clause 8.1 (*Optional Switch to Term Reference Rate*).

8.2. Delayed switch for existing Compound Rate Loans

If the Rate Switch Date falls before the last day of an Interest Period for a Compounded Rate Loan:

- (a) the Loan, relevant part of the Loan or Unpaid Sum (as applicable) shall continue to be a Compounded Rate Loan for that Interest Period and Clause 9.1 (*Calculation of interest – Compounded 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 Term Rate Loan shall not apply in relation to the Loan, 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, relevant part of the Loan or Unpaid Sum (as applicable) shall be a "Term Rate Loan"; and
 - (ii) Clause 9.2 (*Calculation of interest – Term Rate Loans*) shall apply to it.

8.3. Notifications by Facility Agent

The Facility Agent shall, promptly upon becoming aware of the Rate Switch Date, notify the Borrowers and the Lenders of that occurrence.

9. INTEREST

9.1. Calculation of interest – Compounded Rate Loans

(a) The rate of interest on each Compounded Rate Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (i) Margin; and
- (ii) Compounded Reference Rate for that day.

(b) If any day during an Interest Period for a Compounded Rate Loan is not a 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.

9.2. Calculation of interest – Term Rate Loans

The rate of interest on each Term Rate Loan for an Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) Term Reference Rate.

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 for a Term Rate Loan is longer than three Months, the Borrowers shall also pay interest then accrued on that Term Rate Loan on the dates falling at three Monthly intervals after the first day of the Interest Period for that Term Rate Loan.

9.4. Default interest

(a) If a Transaction Obligor fails to pay any amount payable by it under a Finance Document other than a Hedging Agreement on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two 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 Obligors on demand by the Facility Agent.

- (b) If an Unpaid Sum consists of all or part of a Term Rate Loan which became due on a day which was not the last day of an Interest Period relating to that 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 two per cent. per annum higher than the rate which would have applied if that Unpaid Sum had not become due.
- (c) 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. Notifications

- (a) 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 (if any) relating to the relevant Compounded Rate Loan.

This paragraph (a) shall not apply to any Compounded Rate Interest Payment determined pursuant to Clause 11.4 (*Cost of funds*).

- (b) 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.
- (c) The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan.
- (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 (*Notifications*) shall not require the Facility Agent to make any notification to any Party on a day which is not a Business Day.

9.6. Hedging

- (a) The Borrowers shall enter into Hedging Agreements and shall after that date maintain such Hedging Agreements in accordance with this Clause 9.6 (*Hedging*).

- (b) If a Hedging Agreement is entered into after a Mortgage has been registered, the relevant Borrower shall (at the cost of the Borrowers) enter into any supplemental documentation and/or addenda to that Mortgage as reasonably required by the Facility Agent.
- (c) The aggregate notional amount of the transactions in respect of the Hedging Agreements shall not exceed 100 per cent. of the Loan.
- (d) Each Hedging Agreement shall:
 - (i) be with a Hedge Counterparty and each Hedge Counterparty shall also be a Lender;
 - (ii) be for a term ending on the Termination Date;
 - (iii) have settlement dates coinciding with the Interest Payment Dates;
 - (iv) be based on a 2002 ISDA Master Agreement and otherwise in form and substance satisfactory to the Facility Agent; and
 - (v) provide that the Termination Currency (as defined in the relevant Hedging Agreement) shall be dollars.
- (e) The rights of each Borrower under the Hedging Agreements shall be charged or assigned by way of security under a Hedging Agreement Security.
- (f) The parties to each Hedging Agreement must comply with the terms of that Hedging Agreement.
- (g) Neither a Hedge Counterparty nor a Borrower may amend, supplement, extend or waive the terms of any Hedging Agreement without the consent of the Security Agent.
- (h) Paragraph (g) above shall not apply to an amendment, supplement or waiver that is administrative and mechanical in nature and does not give rise to a conflict with any provision of this Agreement or the Hedging Agreement Security.
- (i) If, at any time, the aggregate notional amount of the transactions in respect of the Hedging Agreements exceeds or, as a result of any repayment or prepayment under this Agreement, will exceed the Loan at that time, the Borrowers and the Hedge Counterparty must, at the request of the Facility Agent, reduce the aggregate notional amount of those transactions by an amount and in a manner satisfactory to the Facility Agent so that it no longer exceeds or will not exceed the Loan then or that will be outstanding.
- (j) Any reductions in the aggregate notional amount of the transactions in respect of the Hedging Agreements in accordance with paragraph (i) above will be apportioned as between those transactions *pro rata*.
- (k) Paragraph (i) above shall not apply to any transactions in respect of any Hedging Agreement under which no Borrower has any actual or contingent indebtedness.
- (l) The Facility Agent must make a request under paragraph (i) above if so required by a Hedge Counterparty.

- (m) Neither a Hedge Counterparty nor a Borrower together with a Hedge Counterparty may terminate or close out any transactions in respect of any Hedging Agreement (in whole or in part) except:
- (i) in accordance with paragraphs (i)-(l) above;
 - (ii) on the occurrence of an Illegality, (as such expression is defined in the relevant Hedging Agreement);
 - (iii) if a Lender ceases to be a Lender under this Agreement;
 - (iv) in the case of termination or closing out by a Hedge Counterparty, if the Facility Agent serves notice under sub-paragraph (ii) of paragraph (a) of Clause 27.21 (*Acceleration*) or, having served notice under sub-paragraph (iii) of paragraph (a) of Clause 27.21 (*Acceleration*), makes a demand; or
 - (v) if the Secured Liabilities (other than in respect of the Hedging Agreements) have been irrevocably and unconditionally paid and discharged in full.
- (n) If a Hedge Counterparty or a Borrower terminates or closes out a transaction in respect of a Hedging Agreement (in whole or in part) in accordance with sub-paragraphs (ii), (iii) or (in the case of a Hedge Counterparty only) (iv) of paragraph (m) above, it shall promptly notify the Facility Agent of that termination or close out.
- (o) If a Hedge Counterparty is entitled to terminate or close out any transaction in respect of any Hedging Agreement under sub-paragraph (iv) of paragraph (m) above, such Hedge Counterparty shall promptly terminate or close out such transaction following a request to do so by the Security Agent.
- (p) A Hedge Counterparty may only suspend making payments under a transaction in respect of a Hedging Agreement if a Borrower is in breach of its payment obligations under any transaction in respect of that Hedging Agreement.
- (q) Each Hedge Counterparty consents to, and acknowledges notices of, the charging or assigning by way of security by each Borrower pursuant to the relevant Hedging Agreement Security of its rights under the Hedging Agreements to which it is party in favour of the Security Agent.
- (r) Any such charging or assigning by way of security is without prejudice to, and after giving effect to, the operation of any payment or close-out netting in respect of any amounts owing under any Hedging Agreement.
- (s) The Security Agent shall not be liable for the performance of any of a Borrower's obligations under a Hedging Agreement.
- (t) No Borrower or Hedge Counterparty shall assign any of its rights or transfer any of its rights or obligations under a Hedging Agreement without the consent of the Security Agent.

10. INTEREST PERIODS

10.1. Selection of Interest Periods

- (a) The Borrowers may select the Interest Period for each Advance in the Utilisation Request for that Advance. An Advance has one Interest Period only which shall start on its Utilisation Date.
- (b) If the Borrowers fail to select an Interest Period in the relevant Utilisation Request, the relevant Interest Period will, subject to Clause 10.2 (*Changes to Interest Periods*), be the period specified in the Reference Rate Terms.
- (c) Subject to this Clause 10 (*Interest Periods*), the Borrowers may select an Interest Period of any period specified in the Reference Rate Terms or any other period agreed between the Borrowers and the Facility Agent (acting on the instructions of all the Lenders).
- (d) An Interest Period in respect of an Advance shall not extend beyond the Termination Date.
- (e) The first Interest Period for the Loan shall start on the first Utilisation Date and each subsequent Interest Period shall start on the last day of the preceding Interest Period.
- (f) No Interest Period shall be longer than six Months.

10.2. Changes to Interest Periods

- (a) Before the commencement of an Interest Period for an Advance, the Facility Agent may shorten the Interest Period for any Advance to ensure that, when aggregated with the Available Facility, there are sufficient Advances (with an aggregate amount equal to or greater than the Reduction Instalment) which have an Interest Period ending on a Reduction Date for the scheduled reduction to occur.
- (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 Reference Rate Terms, those rules shall apply to each Interest Period for that Compounded Rate Loan.

11. CHANGES TO THE CALCULATION OF INTEREST

11.1. Interest calculation if no RFR or Central Bank Rate

If:

- (a) there is no RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for a Compounded Rate Loan; and

- (b) "Cost of funds will apply as a fallback" is specified in the Reference Rate Terms,
Clause 11.4 (*Cost of funds*) shall apply to that Compounded Rate Loan for that Interest Period.

11.2. Unavailability of Term SOFR after Rate Switch Date

- (a) *Interpolated Term SOFR*: If no Term SOFR is available for the Interest Period of the Loan or any part of the Loan, the applicable Term Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan.
- (b) *Historic Term SOFR*: If no Term SOFR is available for the Interest Period of the Loan or any part of the Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Term Reference Rate shall be the Historic Term SOFR for the Loan or that part of the Loan.
- (c) *Interpolated Historic Term SOFR*: If paragraph (b) above applies but no Historic Term SOFR is available for the Interest Period of the Loan or any part of the Loan, the applicable Term Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan.
- (d) *Cost of funds*: If paragraph (c) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Term Reference Rate 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.

11.3. Market disruption

- (a) In the case of a Compounded Rate Loan, 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 Facility Agent receives notifications from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 66⅔ 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.
- (b) In the case of a Term Rate Loan, if before close of business in Amsterdam 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 66⅔ per cent. of the Loan or that 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 the applicable 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 – Compounded Rate Loans*) nor Clause 9.2 (*Calculation of interest – Term Rate Loans*) shall apply to the Loan or that part of the Loan for that Interest Period and the rate of interest on the Loan or that part of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
- (i) the Margin; and
 - (ii) the weighted average of the rates notified to the Facility Agent by each Lender as soon as practicable and in any event
 - (A) in relation to a Compounded Rate Loan, by the Reporting Time for that Compounded Rate Loan; or
 - (B) in relation to a Term Rate Loan, within two Business Days after the Reporting Day of the relevant Loan (or, if earlier, on the date falling three Business Days before the date on which interest is due to be paid in respect of that Interest Period),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 44.4 (*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 Compounded Rate Loan: a Lender's Funding Rate is less than the applicable Market Disruption Rate that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the Market Disruption Rate for that Compounded Rate Loan; or
 - (ii) in relation to a Term Rate Loan: a Lender's Funding Rate is less than the applicable Market Disruption Rate that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the applicable Market Disruption Rate.

- (f) If this Clause 11.4 (*Cost of funds*) applies but any Lender does not notify a rate to the Facility Agent by the time specified in sub-paragraph (ii) of paragraph (a) above the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.
- (g) If this Clause 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 attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrowers on a day prior to the last day of an Interest Period for the Loan, the relevant part of the Loan or that Unpaid Sum.
- (b) 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. Commitment fee

- (a) The Borrowers shall pay to the Facility Agent (for the account of each Lender) a fee computed at the rate of 40 per cent. of the Margin per annum on that Lender's Available Commitment from time to time for the Availability Period.
- (b) The accrued commitment fee is payable quarterly in arrears on the undrawn and uncanceled amount of the Facility for the period commencing from the date of this Agreement until and including the last day of the Availability Period and, if cancelled, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

12.2. Arrangement fee

The Borrowers shall pay to the Arranger an arrangement fee in the amount and at the times agreed in a Fee Letter.

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.

(c) This Clause 13 (*Tax Gross Up and Indemnities*) shall not apply to any Hedging Agreement.

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.

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, amongst others, Regulation (EU) 2019/876;
 - (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended by, amongst others, 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);
- (e) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation; or

(f) incurred by a Hedge Counterparty in its capacity as such.

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.

(c) This Clause 15.1 (*Currency indemnity*) does not apply to any sum due to a Hedge Counterparty in its capacity as such.

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 a Transaction 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 33 (*Sharing among the Finance Parties*);
- (iii) funding, or making arrangements to fund, its participation in an Advance requested by the Borrowers in a 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 (including, without limitation, for negligence or any other category of liability whatsoever) incurred by that Indemnified Person pursuant to or in connection with any

litigation, arbitration or administrative proceedings or regulatory enquiry, in connection with or arising out of the entry into and the transactions contemplated by the Finance Documents, having the benefit of any Security constituted by the Finance Documents or which relates to the condition or operation of, or any incident occurring in relation to, any Ship unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of that Indemnified Person.

- (c) Without limiting, but subject to any limitations set out in paragraph (b) above, the indemnity in paragraph (b) above shall cover any cost, loss or liability incurred by each Indemnified Person in any jurisdiction:
 - (i) arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions; 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

The Borrowers 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 (including, without limitation, insurance consultants) or experts as permitted under the Finance Documents; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) or, in the case of any cost, loss or liability pursuant to Clause 34.11 (*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 (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them:
 - (i) in relation to or as a result of:
 - (A) any failure by a Borrower to comply with its obligations under Clause 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 and Sanctions affecting a Lender), 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 and the Arranger the amount of all costs and expenses (including legal and insurance consultant 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 34.9 (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 and insurance consultant 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 costs and expenses (including legal fees and VAT) reasonably incurred by each Secured Party in connection with:

- (a) the negotiation or entry into of any Reference Rate Supplement or Compounding Methodology Supplement; or
- (b) any amendment, waiver or consent relating to:
 - (i) the transition to the Term Reference Rate;
 - (ii) any Reference Rate Supplement or Compounding Methodology Supplement; or
 - (iii) any change arising as a result of an amendment required under Clause 44.4 (*Changes to reference rates*).

SECTION 7

JOINT AND SEVERAL LIABILITY OF BORROWERS AND GUARANTEE

18. JOINT AND SEVERAL LIABILITY OF THE BORROWERS

18.1. 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.

18.2. 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.

18.3. 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.

18.4. 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.

18.5. 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.

19. GUARANTEE AND INDEMNITY – HEDGE GUARANTORS

19.1. Guarantee and indemnity

Each Hedge Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Hedge Counterparty punctual performance by each Borrower of all that Borrower's obligations under the Hedging Agreements;
- (b) undertakes with each Hedge Counterparty that whenever a Borrower does not pay any amount when due under or in connection with any Hedging Agreement, that Hedge Guarantor shall immediately on demand pay that amount as if it were the principal obligor; and

- (c) agrees with each Hedge Counterparty that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Hedge Counterparty immediately on demand against any cost, loss or liability it incurs as a result of a Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Hedging Agreement on the date when it would have been due. The amount payable by a Hedge Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*) if the amount claimed had been recoverable on the basis of a guarantee.

19.2. Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Borrower under the Hedging Agreements, regardless of any intermediate payment or discharge in whole or in part.

19.3. Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Borrower or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Hedge Guarantor under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

19.4. Waiver of defences

The obligations of each Hedge Guarantor under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*) and in respect of any Transaction Security will not be affected or discharged by an act, omission, matter or thing which, but for this Clause 19.4 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*) or in respect of any Transaction Security (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Transaction Obligor or other person;
- (b) the release of any other Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect or delay in perfecting, or refusal or neglect to take up or enforce, or delay in taking or enforcing any rights against, or security over assets of, any Transaction Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Transaction Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension

of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

19.5. Immediate recourse

Each Hedge Guarantor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person (including without limitation to commence any proceedings under any Finance Document or to enforce any Transaction Security) before claiming or commencing proceedings under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*). This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

19.6. Appropriations

Until all amounts which may be or become payable by the Borrowers under or in connection with the Hedging Agreements have been irrevocably paid in full, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Hedge Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Hedge Guarantor or on account of any Hedge Guarantor's liability under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*).

19.7. Deferral of Hedge Guarantors' rights

All rights which each Hedge Guarantor at any time has (whether in respect of this guarantee, a mortgage or any other transaction) against any Borrower, any other Transaction Obligor or their respective assets shall be fully subordinated to the rights of the Secured Parties under the Finance Documents and until the end of the Security Period and unless the Facility Agent otherwise directs, no Hedge Guarantor will exercise any rights which it may have (whether in respect of any Finance Document to which it is a Party or any other transaction) by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*):

- (a) to be indemnified by a Transaction Obligor;
- (b) to claim any contribution from any third party providing security for, or any other guarantor of, any Transaction Obligor's obligations under the Finance Documents;

- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Transaction Obligor to make any payment, or perform any obligation, in respect of which any Hedge Guarantor has given a guarantee, undertaking or indemnity under Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*);
- (e) to exercise any right of set-off against any Transaction Obligor; and/or
- (f) to claim or prove as a creditor of any Transaction Obligor in competition with any Secured Party.

If a Hedge Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Transaction Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Facility Agent or as the Facility Agent may direct for application in accordance with Clause 34 (*Payment Mechanics*).

19.8. Additional security

This guarantee and any other Security given by a Hedge Guarantor is in addition to and is not in any way prejudiced by, and shall not prejudice, any other guarantee or Security or any other right of recourse now or subsequently held by any Secured Party or any right of set-off or netting or right to combine accounts in connection with the Finance Documents.

19.9. Applicability of provisions of Guarantee to other Security

Clauses 19.2 (*Continuing guarantee*), 19.3 (*Reinstatement*), 19.4 (*Waiver of defences*), 19.5 (*Immediate recourse*), 19.6 (*Appropriations*), 19.7 (*Deferral of Hedge Guarantors' rights*) and 19.8 (*Additional security*) shall apply, with any necessary modifications, to any Security which a Hedge Guarantor creates (whether at the time at which it signs this Agreement or at any later time) to secure the Secured Liabilities or any part of them.

SECTION 8

REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

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, duly incorporated and validly existing in good standing under the law of its Original Jurisdiction.
- (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) Each of Borrower A, Borrower B, Borrower D, Borrower E and Borrower F is authorised to issue 500 registered shares with a par value of one dollar per share, all of which shares have been issued fully paid and non-assessable.
- (b) Borrower C is authorised to issue 500 registered and/or bearer shares without par value, all of which shares have been issued fully paid and non-assessable.
- (c) The legal title to and beneficial interest in the issued shares in each Borrower is held the Shareholder free of any Security (other than Permitted Security) or any other claim.
- (d) None of the 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, 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 of, and the transactions contemplated by, each Transaction Document to which it is a party do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) the constitutional documents of any Transaction Obligor or any member of the Group; or
- (c) any agreement or instrument binding upon it or any member of the Group or any of its assets or any member of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument.

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;
 - (ii) in the case of Borrower D, its registration of Ship D under its Approved Flag;
 - (iii) in the case of Borrower E, its registration of Ship E under its Approved Flag; or
 - (iv) in the case of Borrower F, its registration of Ship F under its Approved Flag.
- (b) No limit on its powers will be exceeded as a result of the borrowing, granting of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

20.8. Validity and admissibility in evidence

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and
- (b) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions, have been obtained or effected and are in full force and effect.

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 27.8 (*Insolvency proceedings*); or
- (b) creditors' process described in Clause 27.9 (*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 27.7 (*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:

- (a) permanent registration of the Mortgage relating to Ship A at the registry of the Approved Flag of Ship A;
- (b) permanent registration of the Mortgage relating to Ship B at the registry of the Approved Flag of Ship B;
- (c) permanent registration of the Mortgage relating to Ship C at the registry of the Approved Flag of Ship C;
- (d) permanent registration of the Mortgage relating to Ship D at the registry of the Approved Flag of Ship D; and
- (e) permanent registration of the Mortgage relating to Ship E at the registry of the Approved Flag of Ship E,

which registration will be made promptly after the date of the relevant Finance Documents.

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 each Utilisation Date and the Release 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 to which its 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 consolidated financial condition as at the end of the relevant financial year and the Group's results of operations during the relevant financial year.
- (c) There has been no material adverse change in the Group's assets, business or consolidated financial condition since the date of the Group's most recent financial statements delivered pursuant to Clause 21.2 (*Financial statements*) (other than as disclosed to the Facility Agent prior to the date of this Agreement).
- (d) The Group's most recent financial statements delivered pursuant to Clause 21.2 (*Financial statements*):
 - (i) have been prepared in accordance with Clause 21.3 (*Requirements as to financial statements*); and
 - (ii) give a true and fair view of (if audited) or fairly represent (if unaudited) the Group's consolidated financial condition as at the end of the relevant financial year and operations during the relevant financial year.
- (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 the Group's business, assets or consolidated financial condition.

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. Validity and completeness of the Deed of Release

- (a) The Deed of Release constitutes legal, valid, binding and enforceable obligations of the Existing Facility Agent.
- (b) The copies of each Deed of Release delivered to the Facility Agent on the Release Date are true and complete copies.
- (c) No amendments or addition to the Deed of Release has been agreed nor have any rights under the Deed of Release been waived.

20.19. 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.

20.20. 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.

20.21. No Charter

No Ship is subject to any Charter other than a Permitted Charter.

20.22. 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.

20.23. 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.

20.24. No Environmental Incident

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred.

20.25. ISM and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to each Borrower, an Approved Manager and each Ship have been complied with.

20.26. 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.

20.27. Financial Indebtedness

No Borrower has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

20.28. 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.

20.29. 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.

20.30. Ownership

- (a) Borrower A is the sole legal and beneficial owner of Ship A, its Earnings and its Insurances.
- (b) Borrower B is the sole legal and beneficial owner of Ship B, its Earnings and its Insurances.

- (c) Borrower C is the sole legal and beneficial owner of Ship C, its Earnings and its Insurances.
- (d) With effect on and from the relevant Utilisation Date, Borrower D will be the sole legal and beneficial owner of Ship D, its Earnings and its Insurances.
- (e) With effect on and from the relevant Utilisation Date, Borrower E will be the sole legal and beneficial owner of Ship E, its Earnings and its Insurances.
- (f) With effect on and from the relevant Utilisation Date, Borrower F will be the sole legal and beneficial owner of Ship F, its Earnings and its Insurances.
- (g) 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.
- (h) The constitutional documents of each Obligor and the Shareholder do not and could not restrict or inhibit any transfer of the shares of the Borrowers on creation or enforcement of the security conferred by the Security Documents.

20.31. 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 situated at its address for communication stated in Part A of Schedule 1 (*The Parties*) and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

20.32. Place of business

No Obligor has a place of business in any country other than that stated in Part A of Schedule 1 (*The Parties*) and its head office functions are carried out at the address stated in Part A of Schedule 1 (*The Parties*).

20.33. No employee or pension arrangements

No Obligor has any employees or any liabilities under any pension scheme.

20.34. Sanctions

- (a) No Transaction Obligor:
 - (i) is a Restricted Party;
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Restricted Party;
 - (iii) owns or controls a Restricted Party; or
 - (iv) has a Restricted Party serving as a director, officer or, to the best of its knowledge, employee.
- (b) No proceeds of the Loan shall be made available, directly or indirectly, to or for the benefit of a Restricted Party nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions.

- (c) In relation to each Finance Party, for the purposes of this Clause 20.34 (*Sanctions*), the representations under this Clause 20.34 (*Sanctions*) shall only apply for the benefit of the Restricted Finance Party to the extent that this would not result in any violation of or conflict with or liability under the EU Blocking Regulation.
- (d) In connection with any amendment, waiver, determination or direction relating to any part of the provisions of this Clause 20.34 (*Sanctions*) of which a Lender does not have the benefit as a result of the application of paragraph (c) above, the Commitments of that Lender will be excluded for the purpose of determining whether the consent of the Majority Lenders has been obtained or whether the determination or direction by the Majority Lenders has been made.

20.35. US Tax Obligor

No Transaction Obligor is a US Tax Obligor.

20.36. No immunity

None of the Transaction Obligors, nor any of their assets are entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit attachment prior to judgement, execution or other enforcement).

20.37. Anti-bribery, anti-corruption and anti-money laundering

No Transaction Obligor nor any of their Subsidiaries, directors or officers, or any Affiliate, agent or employee of them, 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 Transaction Obligor has instituted and maintain policies and procedures designed to prevent violation of such laws, regulations and rules.

20.38. No adverse consequences

(a) It is not necessary under the laws of its Relevant Jurisdictions:

- (i) in order to enable any Finance Party to enforce its rights under any Finance Document; or
- (ii) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,

that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of its Relevant Jurisdictions.

(b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in its Relevant Jurisdictions by reason only of the execution, performance and/or enforcement of any Finance Document.

20.39. True and complete disclosures

(a) To the best of its knowledge no representation or warranty given by any party to the Finance Documents is untrue or misleading in any material respect.

- (b) The constitutional documents and the Transaction Documents of the Guarantor and each Borrower contain all the material terms of all the agreements and arrangements between them and any member of the Group.

20.40. 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 each Utilisation Request and the Release Date 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 Borrowers procure that the Guarantor shall supply to the Facility Agent in sufficient copies for all the Lenders:

- (a) as soon as they become available, but in any event within 180 days after the end of each of the Guarantor's financial years (ending 31 December), commencing with the financial year ended on 31 December 2024, the annual audited consolidated financial statements 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 half year of each of the Guarantor's financial years (ending 30 June), commencing with the half year ended on 30 June 2024, the unaudited consolidated semi-annual management accounts of the Group for that half year.

21.3. 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 Guarantor 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 these have not been filed with the US Securities and Exchange Commission.
- (b) The Borrowers shall procure that each set of financial statements of the Group 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 or 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 Group) deliver to the Facility Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Original Financial Statements were prepared; and

- (ii) sufficient information, in form and substance as may be reasonably required by the Facility Agent, to enable the Lenders to determine whether clause 10 (*financial covenants*) of the Guarantee has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the 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.

21.4. DAC6

- (a) In this Clause 21.4 (DAC6), "**DAC6**" means the Council Directive of 25 May 2018 (2018/822/EU) amending Directive 2011/16/EU or any replacement legislation applicable in the United Kingdom.
- (b) The Borrowers shall supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):
 - (i) promptly upon the making of such analysis or the obtaining of such advice, any analysis made or advice obtained on whether any transaction contemplated by the Transaction Documents or any transaction carried out (or to be carried out) in connection with any transaction contemplated by the Transaction Documents contains a hallmark as set out in Annex IV of DAC6; and
 - (ii) promptly upon the making of such reporting and to the extent permitted by applicable law and regulation, any reporting made to any governmental or taxation authority by or on behalf of any member of the Group or by any adviser to such member of the Group in relation to DAC6 or any law or regulation which implements DAC6 and any unique identification number issued by any governmental or taxation authority to which any such report has been made (if available).

21.5. Information: miscellaneous

Each Obligor shall, and shall procure that each other Transaction Obligor shall, supply to the Facility Agent (in sufficient copies for all the Lenders, if the Facility Agent so requests):

- (a) all material documents dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched unless such documents 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 material litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which might have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding \$1,000,000 in relation to any Borrower or \$5,000,000 in relation to any other member of the Group (or their equivalent in other currencies);

- (d) promptly, its constitutional documents where these have been amended or varied;
- (e) promptly, such further information and/or documents regarding:
 - (i) each Ship, goods transported on each Ship, its Earnings and its Insurances;
 - (ii) the Security Assets;
 - (iii) compliance of the Transaction Obligors with the terms of the Finance Documents; and
 - (iv) the financial condition, business, operations and assets 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.

21.6. 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).

21.7. "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 (other than an Approved Manager) after the date of this Agreement);
 - (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; or
 - (iv) any anti-money laundering or anti-terrorism financing laws and regulations applicable to the Facility Agent or any Lender,

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. GENERAL UNDERTAKINGS

22.1. General

The undertakings in this Clause 22 (*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.

22.2. 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;
- (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;
 - (iii) own and operate each Ship (in the case of the Borrowers); and
- (c) without prejudice to the generality of the above, ensure that if, but for the obtaining of an Authorisation, an Obligor would be in breach of any of the provisions of this Agreement which relate to Sanctions or, by reason of Sanctions, would be prohibited from performing any provision of this Agreement, such an Authorisation is obtained so as to avoid such breach or to enable such performance.

22.3. Compliance with laws

Each Obligor shall, and shall procure that each other Transaction Obligor will, comply in all respects with all 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.

22.4. Environmental compliance

Each Obligor shall, and shall procure that each other Transaction Obligor 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.

22.5. Environmental Claims

Each Obligor shall, and shall procure that each other Transaction Obligor will, 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.

22.6. 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.

22.7. 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.

22.8. 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 20.31 (*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.

22.9. Pari passu ranking

Each Obligor shall 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.

22.10. Title

- (a) Borrower A shall hold the legal title to, and own the entire beneficial interest in Ship A, its Earnings and its Insurances.
- (b) Borrower B shall hold the legal title to, and own the entire beneficial interest in Ship B, its Earnings and its Insurances.
- (c) Borrower C shall hold the legal title to, and own the entire beneficial interest in Ship C, its Earnings and its Insurances.
- (d) With effect from the relevant Utilisation Date, Borrower D shall hold the legal title to, and own the entire beneficial interest in Ship D, its Earnings and its Insurances.
- (e) With effect from the relevant Utilisation Date, Borrower E shall hold the legal title to, and own the entire beneficial interest in Ship E, its Earnings and its Insurances.
- (f) With effect from the relevant Utilisation Date, Borrower F shall hold the legal title to, and own the entire beneficial interest in Ship F, its Earnings and its Insurances.
- (g) With effect on and from its creation or intended creation, each Obligor shall, and shall procure that each other Transaction Obligor will, hold the legal title to, and own the entire beneficial interest in any other assets the subject of any Transaction Security created or intended to be created by such Obligor or Transaction Obligor.

22.11. Negative pledge

- (a) No Obligor shall, and the Obligors shall procure that no other Transaction Obligor will, create or permit to subsist any Security over any of its assets which are, in the case of any Transaction Obligor other than the Borrowers, the subject of the Security created or intended to be created by the Finance Documents.
- (b) No Obligor 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.

22.12. Disposals

- (a) No Obligor 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 24.16 (Restrictions on chartering, appointment of managers etc.).

22.13. Merger

No Obligor shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction.

22.14. Change of business

- (a) Each Obligor 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.

22.15. Financial Indebtedness

No Obligor shall incur or permit to be outstanding any Financial Indebtedness except Permitted Financial Indebtedness.

22.16. Expenditure

No Borrower shall incur any expenditure, except for expenditure reasonably incurred in the ordinary course of owning, operating, maintaining and repairing its Ship.

22.17. Share capital

No Borrower shall:

- (a) purchase, cancel, redeem or retire any of its issued shares;
- (b) increase or reduce its authorised share capital, the number of shares that it is authorized to issue or change the par value of such shares or create any new class of shares;
- (c) issue any further shares except to the Shareholder and provided such new shares are made subject to the terms of the Shares Security applicable to that Borrower 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; and
- (d) appoint any further director or officer of that Borrower (unless the provisions of the Shares Security applicable to that Borrower are complied with).

22.18. Dividends

No Borrower shall following non-compliance by the Guarantor with the financial covenants set out in clause 10 (*financial covenants*) of the Guarantee or by any Borrower with the undertaking contained in Clause 26.5 (*Minimum Liquidity*) or the occurrence of an Event of Default which is continuing or where any of the following would result in the occurrence of an Event of Default:

- (a) 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);
- (b) repay or distribute any dividend or share premium reserve; or
- (c) redeem, repurchase, defease, retire or repay any of its issued shares or resolve to do so.

22.19. Other transactions

No Obligor shall:

- (a) be the creditor in respect of any loan or any form of credit to any person other than another Transaction 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 Obligor 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.

22.20. Unlawfulness, invalidity and ranking; Security imperilled

No Obligor shall, and shall procure that no other Transaction Obligor will, do (or fail to do) or cause or permit another person to do (or omit to do) anything which is likely to:

- (a) make it unlawful or contrary to Sanctions 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.

22.21. Sanctions

- (a) Each Obligor undertakes that it shall, and shall procure that each member of the Group will, comply with all Sanctions.
- (b) No Obligor shall, and shall procure that no member of the Group will, become a Restricted Party or act on behalf of, or as an agent of, a Restricted Party to the extent this would lead to non-compliance by it or any other Party with any Sanctions.
- (c) No Obligor shall, and shall procure that no member of the Group will, use, lend, contribute or otherwise make available any proceeds of the Loan or other transaction contemplated by this Agreement directly or indirectly for the purpose of financing any trade, business or other activities with any Restricted Party, to the extent, in each case, such use, lending, contributing or otherwise making available such proceeds would lead to non-compliance by it or any other Party with any applicable Sanctions.
- (d) No Obligor shall, and shall procure that no member of the Group will, use any revenue or benefit derived from any activity or dealing with a Restricted Party in discharging any obligation due or owing to the Finance Parties to the extent such use would lead to non-compliance by it or any other Party with any applicable Sanctions.
- (e) Each Obligor shall, and shall procure that each member of the Group will, procure that no proceeds from any activity or dealing with a Restricted Party are credited to any bank account held with any Finance Party or any Affiliate of a Finance Party, to the extent crediting such bank account would lead to non-compliance by it, any Finance Party or any Affiliate of a Finance Party with any applicable Sanctions.
- (f) Each Obligor shall, and shall procure that each member of the Group will, to the extent permitted by law, promptly upon becoming aware of them supply to the Facility Agent details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.
- (g) In relation to each Finance Party, which notifies the Facility Agent in writing that it is a "Restricted Finance Party", for the purpose of Clause 22.3 (Compliance with laws), Clause 22.21 (Sanctions), Clause 24.10 (Compliance with laws etc.) and 24.12 (Sanctions and Ship trading), the undertakings under each such Clause shall only apply for the benefit of the Restricted Finance Party to the extent that this would not result in any violation of or conflict with or liability under the EU Blocking Regulation.
- (h) In connection with any amendment, waiver, determination or direction relating to any part of the provisions of this Clause 22.21 (Sanctions) of which a Lender does not have the benefit as a result of the application of paragraph (g) above, the Commitments of that Lender will be excluded for the purpose of determining whether the consent of the Majority Lenders has been obtained or whether the determination or direction by the Majority Lenders has been made.

22.22. Further assurance

- (a) Each Obligor shall, and shall procure that each other Transaction Obligor 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, 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 22.22 (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 association, articles of incorporation, by-laws, or other constitutional documents.

22.23. 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.

22.24. Money laundering

The Borrowers shall:

- (a) provide the Facility Agent with information, certificates and any documents required by the Facility agent to ensure compliance with any law, official requirement or other regulatory measure or procedure implemented to combat money laundering; and
- (b) notify the Facility 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 any person who has or will receive the commercial benefit of this Agreement have changed after the date of this Agreement.

22.25. Listing of Guarantor

The Borrowers shall procure that the Guarantor's shares shall remain listed on the New York Stock Exchange or any other stock exchange acceptable to the Facility Agent.

22.26. No change in financial year

The Borrowers shall procure that the Guarantor shall not change the end of its or the Group's financial year.

23. INSURANCE UNDERTAKINGS

23.1. General

The undertakings in this Clause 23 (*Insurance Undertakings*) remain in force on and from, in relation to Ship A, Ship B and Ship C, the Release Date of Tranche A and, in relation to Ship D, Ship E and Ship F, the Utilisation Date of the relevant Advance under Tranche B and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

23.2. Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it insured at its expense against:

- (a) fire and usual marine risks (including hull and machinery plus freight interest and hull interest and excess risks);
- (b) war risks (including terrorism and piracy);
- (c) protection and indemnity risks; 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.

23.3. Terms of obligatory insurances

Each Borrower shall effect such insurances:

- (a) in dollars;
- (b) in the case of fire and usual marine risks and war risks, in an aggregate amount on an agreed value basis at least the greater of:
 - (i) 120 per cent. of the Loan; and
 - (ii) the Market Value of the Ships subject to a Mortgage;
- (c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry and in the international marine insurance market;
- (d) in the case of protection and indemnity risks, in respect of the full tonnage of its Ship;
- (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.

23.4. Further protections for the Finance Parties

In addition to the terms set out in Clause 23.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances effected by it shall:

- (a) subject always to paragraph (b), name that Borrower, the Guarantor or any Approved Manager as the named insured or co-assured unless the interest of every other named insured 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.

23.5. Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 21 days before the expiry of any obligatory insurance effected by it:
 - (i) notify the Facility Agent of the Approved Brokers (or other insurers) and any protection and indemnity or war risks association through or with which it proposes to renew that obligatory insurance and of the proposed terms of renewal; and
 - (ii) obtain the Facility Agents' approval to the matters referred to in sub-paragraph (i) above;
- (b) at least 14 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Facility Agent's approval pursuant to paragraph (a) above; and
- (c) procure that the Approved Brokers and/or the approved war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Facility Agent in writing of the terms and conditions of the renewal.

23.6. Copies of policies; letters of undertaking

Each Borrower shall ensure that the Approved Brokers provide the Security Agent with:

- (a) *pro forma* copies of all policies relating to the obligatory insurances which they are to effect or renew; and
- (b) a letter or letters of undertaking in a form required by the Facility Agent and including undertakings by the Approved Brokers that:
 - (i) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 23.4 (*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 the Ship owned by that Borrower 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 the Ship owned by that Borrower forthwith upon being so requested by the Facility Agent.

23.7. 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.

23.8. Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances effected by it are deposited with the Approved Brokers through which the insurances are effected or renewed.

23.9. Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it and produce all relevant receipts when so required by the Facility Agent or the Security Agent.

23.10. 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.

23.11. 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 and without prejudice to the Borrowers' obligations under Clause 24 (*Ship Undertakings*), 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 23.6 (*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 unless they are 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.

23.12. 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.

23.13. 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.

23.14. 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.

23.15. 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 23.16 (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.

23.16. 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 each case, in an amount which equals 120 per cent. of the Loan, 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) 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.

24. SHIP UNDERTAKINGS

24.1. General

The undertakings in this Clause 24 (*Ship Undertakings*) remain in force on and from, in relation to Ship A, Ship B and Ship C, the Release Date of Tranche A and, in relation to Ship D, Ship E and Ship F, the relevant Utilisation Date of the relevant Advance under Tranche B and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

24.2. Ships' names and registration

Each Borrower shall, in respect of the Ship owned by it:

- (a) keep that Ship registered in its name under the Approved Flag from time to time at its port of registration;
- (b) not do or allow to be done anything as a result of which such registration might be suspended, cancelled or imperilled;
- (c) not enter into any dual flagging arrangement in respect of that Ship; and
- (d) not change the name of that Ship,

provided that any agreed change of name or flag of a Ship shall be subject to:

- (i) that Ship remaining subject to Security securing the Secured Liabilities created by a first priority or preferred ship mortgage on that Ship and, if appropriate, a first priority deed of covenant collateral to that mortgage (or equivalent first priority Security) on substantially the same terms as the Mortgage on that Ship and, if applicable, related Deed of Covenant and on such other terms and in such other form as the Facility Agent, acting with the authorisation of the Majority Lenders, shall approve or require; and
- (ii) the execution of such other documentation amending and supplementing the Finance Documents as the Facility Agent, acting with the authorisation of the Majority Lenders, shall approve or require.

24.3. 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.

24.4. Classification society undertaking

Each Borrower shall, in respect of the Ship owned by it, instruct the relevant 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.

24.5. 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.

24.6. 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.

24.7. 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.

24.8. Inspection

(a) Each Borrower shall permit the Security Agent (acting through surveyors or other persons appointed by it for that purpose) upon service of a prior written notice of the Facility Agent to the Borrowers for the account of the relevant Borrower to board the Ship owned by it at all reasonable times, but without interfering with the operation and trading of that Ship, to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections, unless an Event of Default has occurred and is continuing in which case the Security Agent shall be entitled to carry out such inspection whether or not it interferes with the operation and trading of that Ship.

(b) The cost of the inspection referred to in paragraph (a) above 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.

24.9. 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.

24.10. Compliance with laws etc.

Each Borrower shall, and shall procure that an Approved Manager shall:

(a) comply, or procure compliance with all laws or regulations:

(i) relating to its business generally; and

(ii) relating to the Ship owned by it, its ownership, employment, operation, management and registration, including, but not limited to:

- (A) the ISM Code;
- (B) the ISPS Code;
- (C) all Environmental Laws;
- (D) all Sanctions; and
- (E) the laws of the Approved Flag; and

(b) obtain, comply with and do all that is necessary to maintain in full force and effect any Environmental Approvals.

24.11. ISPS Code

Without limiting paragraph (a) of Clause 24.10 (*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.

24.12. Sanctions and Ship trading

Without limiting Clause 24.10 (*Compliance with laws etc.*), each Borrower shall procure:

- (a) that the Ship owned by it shall not be used by or for the benefit of a Restricted Party;
- (b) that 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 charterparty in respect of that Ship shall contain, for the benefit of that Borrower, language which gives effect to the provisions of paragraph (a) of Clause 24.10 (*Compliance with laws etc.*) as regards Sanctions and of this Clause 24.12 (*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 Transaction Obligor).

24.13. Trading in war zones or excluded areas

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 or which is otherwise excluded

from the scope of coverage of the obligatory insurances unless that Borrower has (at its expense) effected any special, additional or modified insurance cover which the insurers require to ensure that that Ship remains properly insured in accordance with the Finance Documents (including, without limitation, any requirement for the payment of additional or extra insurance premia).

24.14. 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.

24.15. 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;
- (j) any notice, or such Borrower becoming aware, of any claim, action, suit, proceeding or investigation against any Transaction Obligor, any of its Subsidiaries or any of their respective directors, officers, employees or agents with respect to Sanctions; or
- (k) any circumstances which could give rise to a breach of any representation or undertaking in this Agreement, or any Event of Default, relating to Sanctions,

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.

24.16. Restrictions on chartering, appointment of managers etc.

No Borrower shall, in relation to the Ship owned by it:

- (a) let that Ship on demise charter for any period;
- (b) enter into any time, voyage or consecutive voyage charter in respect of that Ship other than a Permitted Charter;
- (c) amend and/or supplement the material terms of a Management Agreement or terminate a Management Agreement;
- (d) appoint a manager of that Ship other than an Approved Manager;
- (e) de activate or lay up that Ship; or
- (f) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless 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.

24.17. Notice of Mortgage

Each Borrower shall keep the relevant Mortgage registered against the Ship owned by it as a valid first preferred or, as the case may be, 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 that Borrower to the Security Agent.

24.18. Sharing of Earnings

No Borrower shall enter into any agreement or arrangement for the pooling or sharing of any Earnings other than (i) any profit sharing agreement with a charterer or an Initial Charterer and (ii) any pool agreement, in either case, on bona fide arm's length terms.

24.19. Poseidon Principles

Each Borrower shall, upon the request of any Lender and at the cost of the Borrowers, on or before 31th July 2025 in each calendar year, supply or procure the supply to the Facility Agent/such Lender of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Ship owned by it for the preceding calendar year provided always that, for the avoidance of doubt, such information shall be "Confidential Information" for the purposes of Clause 45 (*Confidential Information*) but the Borrowers acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender's portfolio climate alignment.

24.20. Inventory of Hazardous Materials

Each Borrower shall procure that the Ship owned by it has, from the next special survey of that Ship, obtained an Inventory of Hazardous Materials, in respect of such Ship which shall be maintained throughout the Security Period.

24.21. Sustainable and socially responsible dismantling of Ships

Each Borrower confirms that as long as it is in a lending relationship with the Lenders, it will ensure that any Ship owned by it or the Guarantor, 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 EU Ship Recycling Regulation.

24.22. Charter assignment

Without prejudice to application of paragraph (b) of Clause 24.16 (*Restrictions on chartering, appointment of managers etc.*), each Borrower will procure that the Security Agent is provided with a certified copy of any Charter which exceeds or is capable of exceeding 12 months in duration, together with any Charter Guarantee, upon the same being entered into and each Borrower shall forthwith enter into a Charter Assignment in respect of such Charter and any Charter Guarantee.

24.23. 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 24 (*Ship Undertakings*).

25. SECURITY COVER

25.1. Minimum required security cover

Clause 25.2 (*Provision of additional security; prepayment*) applies if the Facility Agent notifies the Borrowers that:

- (i) the aggregate Market Value of each Ship then subject to a Mortgage; plus

(ii) the net realisable value of additional Security previously provided under this Clause 25 (*Security Cover*), is below 125 per cent. of the Loan.

25.2. Provision of additional security; prepayment

(a) If the Facility Agent serves a notice on the Borrowers under Clause 25.1 (*Minimum required security cover*), the Borrowers shall, on or before the date falling 30 days after the date (the "**Prepayment Date**") on which the Facility Agent's notice is served, prepay such part of the Loan as shall eliminate the shortfall.

(b) A Borrower may, instead of making a prepayment as described in paragraph (a) above, provide, or ensure that a third party has provided, additional security which, 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 reasonably approve or require,

before the Prepayment Date; and conditional upon such security being provided in such manner, it shall satisfy such prepayment obligation.

25.3. Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 25.2 (*Provision of additional security; prepayment*) which constitutes a first preferred or first priority mortgage over a vessel shall be the Market Value of the vessel concerned.

25.4. Valuations binding

Any valuation under this Clause 25 (*Security Cover*) shall be binding and conclusive as regards each Borrower.

25.5. Provision of information

(a) Each Borrower shall promptly provide the Facility Agent and any shipbroker acting under this Clause 25 (*Security Cover*) with any information which the Facility Agent or the shipbroker may request for the purposes of the valuation.

(b) If a 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.

25.6. Prepayment mechanism

Any prepayment pursuant to Clause 25.2 (*Provision of additional security; prepayment*) shall be made in accordance with the relevant provisions of Clause 7 (*Prepayment and Cancellation*) and provided that if any such prepayment is applied to all or any part of an Advance, the Commitments shall be reduced by an amount equal to such prepayment.

25.7. Provision of valuations

- (a) The Market Value of any Ship shall be determined by reference to two valuations of that Ship as given by Approved Valuers 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 and 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 more than 15 per cent., then a third valuation for that Ship shall be obtained from a third Approved Valuer selected and 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 each Utilisation Date, to test the security cover requirement under Clause 25.1 (*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, commencing on 31 December 2024, and from time to time as the Facility Agent may reasonably request.
- (d) Each of the valuations referred to at paragraphs (a) and (b) above shall be provided not more than 30 days before the relevant Utilisation Date, while the valuations referred to in paragraph (c) above shall be provided not more than 30 days before the financial statements of the Group are delivered pursuant to Clause 21.2 (*Financial statements*).
- (e) 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 25.2 (*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 25.1 (*Minimum required security cover*). The Facility Agent shall be entitled to determine the Market Value of any Ship at any other time.
- (f) The valuations referred to in paragraphs (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, unless an Event of Default has occurred or the covenant contained in Clause 25.1 (*Minimum required security cover*) is not complied with, in which case the cost of all valuations shall be borne by the Borrowers.

26. ACCOUNTS, APPLICATION OF EARNINGS AND HEDGE RECEIPTS

26.1. Accounts

No Borrower may, without the prior consent of the Facility Agent, maintain any bank account other than its Earnings Account.

26.2. Payment of Earnings

Each Borrower shall ensure that:

- (a) subject only to the provisions of the General Assignment to which it is a party, all the Earnings in respect of the Ship owned by it are paid in to its Earnings Account; and

- (b) all Hedge Receipts are paid in to its Earnings Account.

26.3. 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) the Earnings Accounts.

26.4. Restriction on withdrawal

During the Security Period, a Borrower may withdraw any sum from its Earnings Account, **provided that** no Event of Default has occurred and is continuing or would occur from such withdrawal.

26.5. Minimum Liquidity

The Borrowers shall maintain in their Earnings Accounts, on and from the Utilisation Date and at all times thereafter during the Security Period, a credit balance of not less than \$500,000 for each Ship subject to a Mortgage (the "**Minimum Liquidity**").

27. EVENTS OF DEFAULT

27.1. General

Each of the events or circumstances set out in this Clause 27 (*Events of Default*) is an Event of Default except for Clause 27.21 (*Acceleration*) and Clause 27.22 (*Enforcement of security*).

27.2. Non-payment

A Transaction Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within three Business Days of its due date.

27.3. Specific obligations

A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), clause 10 (*financial covenants*) of the Guarantee, Clause 20.34 (*Sanctions*), Clause 22.10 (*Title*), Clause 22.11 (*Negative pledge*), Clause 22.20 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 22.21 (*Sanctions*), Clause 23.2 (*Maintenance of obligatory insurances*), Clause 23.3 (*Terms of obligatory insurances*), Clause 23.5 (*Renewal of obligatory insurances*) Clause 24.12 (*Sanctions and Ship trading*) or, save to the extent such breach is a failure to pay and therefore subject to Clause 27.2 (*Non-payment*), Clause 25 (*Security Cover*).

27.4. Other obligations

- (a) A Transaction Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 27.2 (*Non-payment*) and Clause 27.3 (*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.

27.5. 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 when made or deemed to be made.

27.6. Cross default

- (a) Any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is cancelled or suspended by a creditor of any Transaction Obligor as a result of an event of default (however described) unless the Transaction Obligor (other than an Approved Manager) is contesting the declaration of an Event of Default or of the Financial Indebtedness becoming due and payable in good faith and on substantial grounds by appropriate proceedings and adequate reserves (in the reasonable opinion of the Facility Agent) have been set aside for its payment if such proceedings fail.
- (d) Any creditor of any Transaction Obligor (other than an Approved Manager) becomes entitled to declare any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 27.6 (*Cross default*) in respect of the Guarantor and the Shareholder if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than \$20,000,000 (or its equivalent in any other currency).

27.7. Insolvency

- (a) A Transaction Obligor (other than an Approved Manager):
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) is deemed to, or is declared to, be unable to pay its debts under applicable law; or

(iii) suspends or threatens to suspend making payments on any of its debts.

(b) A moratorium is declared in respect of any indebtedness of any Transaction Obligor (other than an Approved Manager). If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

27.8. 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 14 days of commencement.

27.9. Creditors' process

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a Transaction Obligor (other than an Approved Manager) having an aggregate value of \$2,500,000 (or its equivalent in any other currency or currencies) (other than an arrest or detention of a Ship referred to in Clause 27.14 (*Arrest*)) and is not discharged within 14 days.

27.10. Ownership of the Borrowers

A Borrower is not or ceases to be a 100 per cent. directly or indirectly (but if indirectly only through entities with registered shares) owned Subsidiary of the Guarantor.

27.11. 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.

27.12. Security imperilled; Approved Flag or Relevant Jurisdiction instability

- (a) Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.
- (b) The state of the Approved Flag of a Ship or any Relevant Jurisdiction is or becomes involved in hostilities or civil war or there are events of political risk or instability or there is a seizure of power in such state by unconstitutional means, or any other event occurs in relation to a Ship, the relevant Mortgage or its Approved Flag or in any Relevant Jurisdiction and in the reasonable opinion of the Facility Agent such event is likely to have a Material Adverse Effect, unless the Borrower, within 14 days of notice of the Facility Agent do so, re-registers that Ship on an alternative flag approved pursuant to Clause 24.2 (*Ships' names and registration*) and subject to that Ship remaining subject to Security 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 on such other terms and in such other form as the Facility Agent, acting with the authorisation of the Lenders, shall approve or require; and the execution of such other documentation amending and supplementing the Finance Documents, as the Facility Agent, acting with the authorisation of the Lenders, shall approve or require.
- (c) No Event of Default will occur if such Event of Default results from a Borrower's compliance with the requirements set out in paragraph (b) above.

27.13. 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.

27.14. 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 45 days of such arrest or detention.

27.15. Expropriation

The authority or ability of any Transaction Obligor 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 Transaction Obligor or any of its assets other than:

- (a) an arrest or detention of a Ship referred to in Clause 27.14 (*Arrest*); or
- (b) any Requisition.

27.16. 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.

27.17. 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.

27.18. Sanctions

- (a) Any Transaction Obligor or any of their respective Subsidiaries, directors, officers, employees or agents is designated a Restricted Party or a Ship is designated a Sanctioned Ship.
- (b) This Clause 27.18 (*Sanctions*) is without prejudice to any other Event of Default which may occur by reason of breach of, or non-compliance with, any of the other provisions of this Agreement which relate to Sanctions.

27.19. Material adverse change

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

27.20. Termination of registration

The termination or, if applicable, the non-renewal of the registration of a Ship, in the name of the Borrower owned by it under an Approved Flag without the prior written consent of the Facility Agent.

27.21. Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Facility Agent may, and shall if so directed by the Majority Lenders:

- (a) by notice to the Borrowers:
 - (i) cancel the Available Commitment of each Lender, whereupon they shall immediately be cancelled;
 - (ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable; and/or
 - (iii) declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Facility Agent acting on the instructions of the Majority Lenders; and/or

(b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents,

and the Facility Agent may serve notices under sub-paragraphs (i), (ii) or (iii) of paragraph (a) above simultaneously or on different dates and any Servicing Party may take any action referred to in paragraph (b) above or Clause 27.22 (*Enforcement of security*) if no such notice is served or simultaneously with or at any time after the service of any of such notice.

27.22. 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 27.21 (*Acceleration*), the Security Agent is entitled to take under any Finance Document or any applicable law or regulation.

SECTION 9

CHANGES TO PARTIES

28. CHANGES TO THE LENDERS AND HEDGE COUNTERPARTIES

28.1. Assignments and transfers by the Lenders

Subject to this Clause 28 (*Changes to the Lenders and Hedge Counterparties*), a Lender (the "**Existing Lender**") may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

28.2. Conditions of assignment or transfer

- (a) The consent of the Borrowers is required for an assignment or transfer by an Existing Lender, 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 fund which is a Related Fund; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) The consent of the Borrowers to an assignment or transfer must not be unreasonably withheld or delayed. Each Borrower will be deemed to have given its consent ten Business Days after the Existing Lender has requested it unless consent is expressly refused by that Borrower within that time.
- (c) The consent of a Borrower to an assignment or transfer must not be withheld solely because the assignment or transfer may result in an increase to any amount payable under Clause 15.3 (*Mandatory Cost*).
- (d) An assignment will only be effective on:
 - (i) receipt by the Facility Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Secured Parties as it would have been under if it had been an Original Lender; and
 - (ii) performance by the Facility Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Facility Agent shall promptly notify to the Existing Lender and the New Lender.
- (e) 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.

- (f) A transfer will only be effective if the procedure set out in Clause 28.5 (*Procedure for transfer*) is complied with.
- (g) 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 (g) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.

- (h) 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.

28.3. 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.

28.4. 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 28 (*Changes to the Lenders and Hedge Counterparties*); or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Transaction Obligor of its obligations under the Transaction Documents or otherwise.

28.5. Procedure for transfer

- (a) Subject to the conditions set out in Clause 28.2 (*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 28.9 (*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 Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Facility Agent, the Security Agent, the Arranger and the Existing Lenders shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a "Lender".

28.6. Procedure for assignment

- (a) Subject to the conditions set out in Clause 28.2 (*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 28.9 (*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 28.6 (*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 28.5 (*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 28.2 (*Conditions of assignment or transfer*).

28.7. 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.

28.8. Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 28 (*Changes to the Lenders and Hedge Counterparties*), each Lender may without consulting with or obtaining consent from any Transaction Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by a Transaction Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

28.9. 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 28.5 (*Procedure for transfer*) or any assignment pursuant to Clause 28.6 (*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 28.9 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

(b) In this Clause 28.9 (*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 28.9 (*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.

29. CHANGES TO THE TRANSACTION OBLIGORS

29.1. 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.

29.2. 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 29.2 (*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

30. THE FACILITY AGENT AND THE ARRANGER

30.1. Appointment of the Facility Agent

- (a) Each of the Arranger, the Lenders and the Hedge Counterparties appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Arranger, the Lenders and the Hedge Counterparties authorises the Facility Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

30.2. 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 44 (*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 30.2 (*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.

30.3. 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 28.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrowers*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.
- (d) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Facility Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (f) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Arranger or the Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.

- (g) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

30.4. Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

30.5. No fiduciary duties

- (a) Nothing in any Finance Document constitutes the Facility Agent or the Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Facility Agent nor the Arranger shall be bound to account to other Finance Party for any sum or the profit element of any sum received by it for its own account.

30.6. 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 34.5 (*Application of receipts; partial payments*).

30.7. Business with the Group

The Facility Agent and the Arranger may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

30.8. 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 27.2 (*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 a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.
- (c) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Facility Agent (and so separate from any lawyers instructed by the Lenders) if the Facility Agent in its reasonable opinion deems this to be desirable.
- (e) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Facility Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Facility Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:
- (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,
- unless such error or such loss was directly caused by the Facility Agent's gross negligence or wilful misconduct.
- (g) Unless a Finance Document expressly provides otherwise the Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under the Finance Documents.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Arranger is obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

30.9. Responsibility for documentation

Neither the Facility Agent nor the Arranger is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party or Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

30.10. 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.

30.11. Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to paragraph (e) of Clause 34.11 (*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 (including, without limitation, for negligence or any other category of liability whatsoever) for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
 - (iii) any shortfall which arises on the enforcement or realisation of the Security Property; or
 - (iv) without prejudice to the generality of sub-paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party other than the Facility Agent may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Facility Agent may rely on this paragraph (b) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Facility Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Facility Agent or the Arranger 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 and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent or the Arranger.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability (including, without limitation, for negligence or any other category of liability whatsoever) of the Facility Agent arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

30.12. Lenders' indemnity to the Facility Agent

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 34.11 (*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.

30.13. 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 30 (*The Facility Agent and the Arranger*) and any other term of this Agreement dealing with the rights or obligations of the Facility Agent consistent with then current market practice for the appointment and protection of corporate trustees and those amendments will bind the Parties.
- (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 15.3 (*Indemnity to the Facility Agent*) and this Clause 30 (*The Facility Agent and the Arranger*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Facility Agent. Any fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) The Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (e) above shall be for the account of the Borrowers.

- (i) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Facility Agent.

30.14. Confidentiality

- (a) In acting as Facility Agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by a division or department of the Facility Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Facility Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

30.15. Relationship with the other Finance Parties

- (a) Subject to Clause 28.9 (*Pro rata interest settlement*), the Facility Agent may treat the person shown in its records as Lender or Hedge Counterparty at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office, or, as the case may be, the Hedge Counterparty:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender or Hedge Counterparty to the contrary in accordance with the terms of this Agreement.

- (b) Each Finance Party shall supply the Facility Agent with any information that the Security Agent may reasonably specify (through the Facility Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Finance Party shall deal with the Security Agent exclusively through the Facility Agent and shall not deal directly with the Security Agent and any reference to any instructions being given by or sought from any Finance Party or group of Finance Parties by or to the Security Agent in this Agreement must be given or sought through the Facility Agent.
- (c) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 37.5 (*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 37.2 (*Addresses*) and sub-paragraph (ii) of paragraph (a) of Clause 37.5 (*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.

30.16. Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Facility Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Facility Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and
- (e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

30.17. Facility Agent's management time

Any amount payable to the Facility Agent under Clause 15.3 (*Indemnity to the Facility Agent*), Clause 17 (*Costs and Expenses*) and Clause 30.12 (*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*).

30.18. 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.

30.19. Reliance and engagement letters

Each Secured Party confirms that each of the Arranger and the Facility Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or the Facility Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

30.20. Full freedom to enter into transactions

Without prejudice to Clause 30.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the 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.

30.21. Amounts paid in error

- (a) If the Facility Agent pays an amount to another Party and the Facility Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.
- (b) Neither:
 - (i) the obligations of any Party to the Facility Agent; nor
 - (ii) the remedies of the Facility Agent,

(whether arising under this Clause 30.21 (*Amounts paid in error*) or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Facility Agent or any other Party).

- (c) All payments to be made by a Party to the Facility Agent (whether made pursuant to this Clause 30.21 (*Amounts paid in error*) or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, "**Erroneous Payment**" means a payment of an amount by the Facility Agent to another Party which the Facility Agent determines (in its sole discretion) was made in error.

31. THE SECURITY AGENT

31.1. Trust

- (a) The Security Agent declares that it holds the Security Property on trust for the Secured Parties, other than any Security Property it holds pursuant to the parallel debt structure, on the terms contained in this Agreement and shall deal with the Security Property in accordance with this Clause 31 (*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.

31.2. 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 purposes of this Clause 31.2 (*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 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*) to the extent permitted by applicable law, shall be applied in accordance with Clause 34.5 (*Application of receipts; partial payments*).
- (f) This Clause 31.2 (*Parallel Debt (Covenant to pay the Security Agent)*) shall apply, with any necessary modifications, to each Finance Document.

31.3. 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.

31.4. 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 31.28 (*Application of receipts*);
 - (B) Clause 31.29 (*Permitted Deductions*); and
 - (C) Clause 31.30 (*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 44 (*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 31.4 (*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.

31.5. 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).

31.6. 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.

31.7. 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.

31.8. 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 a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Transaction Obligors.
- (d) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (e) Without prejudice to the generality of paragraph (c) above or paragraph (f) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by the Facility Agent or the Lenders) if the Security Agent in its reasonable opinion deems this to be desirable.
- (f) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (g) The Security Agent may act in relation to the Finance Documents and the Security Property through its officers, employees and agents and shall not:
 - (i) be liable for any error of judgment made by any such person; or

- (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Security Agent's gross negligence or wilful misconduct.

- (h) Unless a Finance Document expressly provides otherwise the Security Agent may disclose to any other Party any information it reasonably believes it has received as security agent under the Finance Documents.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

31.9. 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 Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; or
- (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.

31.10. 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.

31.11. Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate), none of the Security Agent nor any Receiver or Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
- (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
 - (iii) any shortfall which arises on the enforcement or realisation of the Security Property; or
 - (iv) without prejudice to the generality of sub-paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,
including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party other than the Security Agent, that Receiver or that Delegate (as applicable) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this paragraph (b) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Security Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Security Agent if the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose.

- (d) Nothing in this Agreement shall oblige the Security Agent to carry out:
- (i) any "know your customer" or other checks in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party,

on behalf of any Finance Party and each Finance Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate, any liability (including, without limitation, for negligence or any other category of liability whatsoever) of the Security Agent or any Receiver or Delegate arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, any Receiver or Delegate at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, the Receiver or Delegate has been advised of the possibility of such loss or damages.

31.12. 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, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the Security Agent's or Receiver's gross negligence or wilful misconduct) in acting as Security Agent or Receiver under the Finance Documents (unless the Security Agent or Receiver 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.

31.13. 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 31.25 (*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 31 (*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.

31.14. 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.

31.15. 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.

31.16. 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 31.12 (*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.

31.17. 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.

31.18. 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.

31.19. 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,
 - (iv) 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.

31.20. 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.

31.21. 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.

31.22. 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.

31.23. 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.

31.24. 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.

31.25. 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 31.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

31.26. 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.

31.27. 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.

31.28. 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 31.2 (*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 31 (*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 31 (*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 31.2 (*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 34.5 (*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.

31.29. 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).

31.30. 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 31.28 (*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.

31.31. Investment of proceeds

Prior to the payment of the proceeds of the Recoveries to the Facility Agent for application in accordance with Clause 31.28 (*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 31.28 (*Application of receipts*).

31.32. 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.

31.33. 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.

31.34. 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.

31.35. Application and consideration

In consideration for the covenants given to the Security Agent by each Obligor in relation to Clause 31.2 (*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 31 (*The Security Agent*).

31.36. 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 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.

32. 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.

33. SHARING AMONG THE FINANCE PARTIES

33.1. 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 34 (*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 34 (*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 34.5 (*Application of receipts; partial payments*).

33.2. 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 34.5 (*Application of receipts; partial payments*) towards the obligations of that Transaction Obligor to the Sharing Finance Parties.

33.3. Recovering Finance Party's rights

On a distribution by the Facility Agent under Clause 33.2 (*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.

33.4. 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.

33.5. Exceptions

- (a) This Clause 33 (*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

34. PAYMENT MECHANICS

34.1. 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 Amsterdam, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

34.2. Distributions by the Facility Agent

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 34.3 (*Distributions to a Transaction Obligor*) and Clause 34.4 (*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 Amsterdam), 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 a Utilisation Request.

34.3. Distributions to a Transaction Obligor

The Facility Agent may (with the consent of the Transaction Obligor or in accordance with Clause 35 (*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.

34.4. Clawback and pre-funding

- (a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest

on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

- (c) If the Facility Agent has notified the Lenders that it is willing to make available amounts for the account of the Borrowers before receiving funds from the Lenders then if and to the extent that the Facility Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrowers:
- (i) the Facility Agent shall notify the Borrowers of that Lender's identity and the Borrowers shall on demand refund it to the Facility Agent; and
 - (ii) the Lender by whom those funds should have been made available or, if the Lender fails to do so, the Borrowers shall on demand pay to the Facility Agent the amount (as certified by the Facility Agent) which will indemnify the Facility Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

34.5. 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:
 - (A) any accrued interest and fees due but unpaid to the Lenders under this Agreement; and
 - (B) any periodical payments (not being payments as a result of termination or closing out) due but unpaid to the Hedge Counterparties under the Hedging Agreements;
 - (iii) **thirdly**, in or towards payment *pro rata* of:
 - (A) any principal due but unpaid to the Lenders under this Agreement; and
 - (B) any payments as a result of termination or closing out due but unpaid to the Hedge Counterparties under the Hedging Agreements;
 - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents; and
 - (v) **fifthly**, any surplus to be paid to the Borrowers or to any other person entitled to it.
- (b) The Facility Agent shall, if so directed by the Majority Lenders and the Hedge Counterparties, vary, or instruct the Security Agent to vary (as applicable), the order set out in sub-paragraphs (ii) to (iv) of paragraph (a) above.

- (c) Paragraphs (a) and (b) above will override any appropriation made by a Transaction Obligor.

34.6. No set-off by Transaction Obligors

- (a) All payments to be made by a Transaction Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (b) Paragraph (a) above shall not affect the operation of any payment or close out netting in respect of any amounts owing under any Hedging Agreement.

34.7. 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.

34.8. 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.

34.9. 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.

34.10. 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.

34.11. 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 44 (*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 34.11 (*Disruption to Payment Systems etc.*); and
- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

35. 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.

36. 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.

37. NOTICES

37.1. 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.

37.2. Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents are:

- (a) in the case of the Borrowers, that specified in Schedule 1 (*The Parties*);
- (b) in the case of each Lender, each Hedge Counterparty or any other 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*); and
- (d) in the case of the Security 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.

37.3. 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 37.2 (*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.

37.4. 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 37.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

37.5. Electronic communication

- (a) Any communication to be made or document to be delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between 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 or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Facility Agent or the Security Agent only if it is addressed in such a manner as the Facility Agent or the Security Agent shall specify for this purpose.

- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 37.5 (*Electronic communication*).

37.6. 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.

37.7. Hedging Agreement

Notwithstanding anything in Clause 1.1 (*Definitions*), references to the Finance Documents or a Finance Document in this Clause do not include any Hedging Agreement entered into by a Borrower with a Hedge Counterparty in connection with the Facility.

38. CALCULATIONS AND CERTIFICATES

38.1. 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.

38.2. 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.

38.3. Day count convention and interest calculation

- (a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:
 - (i) on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice; and
 - (ii) subject to paragraph (b) below, without rounding.

- (b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to 2 decimal places.

39. 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.

40. 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*).

41. 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.

42. 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.

43. 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.

44. AMENDMENTS AND WAIVERS

44.1. Required consents

- (a) Subject to Clause 44.2 (*All Lender matters*) and Clause 44.3 (*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 44 (*Amendments and Waivers*).
- (c) Without prejudice to the generality of Clause 30.8 (*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 28.9 (*Pro rata interest settlement*) shall apply to this Clause 44 (*Amendments and Waivers*).

44.2. All Lender matters

Subject to Clause 44.4 (*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 definition of "Majority Lenders" in Clause 1.1 (*Definitions*);
- (b) any amendment to Clause 7.2 (*Change of control*);
- (c) a postponement to or extension of the date of payment of any amount under the Finance Documents;
- (d) a reduction in the Margin or the amount of any payment of principal, interest, fees or commission payable;
- (e) a change in currency of payment of any amount under the Finance Documents;
- (f) 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;
- (g) a change to any Transaction Obligor other than in accordance with Clause 29 (*Changes to the Transaction Obligors*);
- (h) any provision which expressly requires the consent of all the Lenders;
- (i) this Clause 44 (*Amendments and Waivers*);
- (j) any change to the preamble (Background), any definition related to Sanctions in Clause 1 (*Definitions and Interpretation*), Clause 2 (*The Facility*), Clause 3 (*Purpose*), Clause 5 (*Utilisation*), Clause 6.5 (*Effect of cancellation and prepayment on scheduled reductions*), Clause 7.5 (*Mandatory prepayment on sale, refinancing or Total Loss*), Clause 7.6 (*Mandatory prepayment of Hedging Prepayment Proceeds*), Clause 9 (*Interest*), Clause 20.34 (*Sanctions*),

Clause 22.21 (*Sanctions*), Clause 24.10 (*Compliance with laws etc.*), Clause 24.12 (*Sanctions and Ship trading*), Clause 26 (*Accounts, application of Earnings and Hedge Receipts*), Clause 28 (*Changes to the Lenders and Hedge Counterparties*), Clause 33 (*Sharing among the Finance Parties*), Clause 48 (*Governing Law*) or Clause 49 (*Enforcement*);

- (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 19 (*Guarantee and Indemnity – Hedge Guarantors*) or clause 2 (*guarantee*) of the Guarantee or any other guarantee and indemnity forming part of the Finance Documents;
 - (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 or any material variation of the guarantees and indemnities granted under Clause 19 (*Guarantee and Indemnity – Hedge Guarantors*) or clause 2 (*guarantee*) of the Guarantee, the joint and several liability of the Borrowers under Clause 18 (*Joint and Several Liability of the Borrowers*) or of any Transaction Security or any guarantee, indemnity or subordination arrangement set out in a Finance Document unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document,

shall not be made, or given, without the prior consent of all the Lenders.

44.3. Other exceptions

- (a) An amendment or waiver which relates to the rights or obligations of a Servicing Party or the Arranger (each in their capacity as such) may not be effected without the consent of that Servicing Party or the Arranger, as the case may be.
- (b) An amendment or waiver which relates to and would adversely affect the rights or obligations of a Hedge Counterparty (in its capacity as such) may not be effected without the consent of that Hedge Counterparty.
- (c) The Borrowers and the Facility Agent, the Arranger or the Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.
- (d) The relevant Hedge Counterparty and the relevant Borrower may amend, supplement or waive the terms of any Hedging Agreement if permitted by paragraph (h) of Clause 9.6 (*Hedging*).

44.4. Changes to reference rates

(a) Subject to Clause 44.3 (*Other exceptions*), any amendment or waiver which relates to:

- (i) providing for the use of a Replacement Reference Rate 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 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) above within 20 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:

- (a) the RFR; or
- (b) Term SOFR for any Quoted Tenor.

"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 a Published Rate by:
 - (i) 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
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under sub-paragraph (ii) above;
- (b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor or alternative to a Published Rate.

44.5. Obligor Intent

Without prejudice to the generality of Clauses 1.2 (*Construction*), 18.2 (*Waiver of defences*) and 19.4 (*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.

45. CONFIDENTIAL INFORMATION

45.1. 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 45.2 (*Disclosure of Confidential Information*) and Clause 45.4 (*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.

45.2. 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, insurers, reinsurers, reinsurance brokers, insurance advisors, insurance brokers, partners 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 30.15 (*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 28.8 (*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 Borrowers;

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-paragraphs (iv) and (viii) 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 Transaction 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.

45.3. 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.

45.4. 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 48 (*Governing Law*);
- (vi) the names of the Facility Agent and the Arranger;
- (vii) date of each amendment and restatement of this Agreement;
- (viii) amount of Total Commitments;
- (ix) currency of the Facility;
- (x) type of Facility;
- (xi) ranking of Facility;

- (xii) Termination Date for Facility;
- (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.

45.5. Entire agreement

This Clause 45 (*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.

45.6. 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.

45.7. 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 45.2 (*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 45 (*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 US Securities and Exchange Commission and any US stock exchange applicable to the Guarantor.

45.8. Continuing obligations

The obligations in this Clause 45 (*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.

46. CONFIDENTIALITY OF FUNDING RATES

46.1. Confidentiality and disclosure

- (a) The Facility Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Facility Agent may disclose:
 - (i) any Funding Rate to the Borrowers pursuant to Clause 9.5 (*Notifications*); and
 - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender.
- (c) The Facility Agent and each 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 is to be given pursuant to this sub-paragraph (i) is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any

applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant 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 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.

46.2. Related obligations

- (a) The Facility Agent and each Obligor acknowledge that each Funding Rate is or may be price sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and each Obligor undertake not to use any Funding Rate 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:
 - (i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (c) of Clause 46.1 (*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 46 (*Confidentiality of Funding Rates*).

46.3. No Event of Default

No Event of Default will occur under Clause 27.4 (*Other obligations*) by reason only of an Obligor's failure to comply with this Clause 46 (*Confidentiality of Funding Rates*).

47. 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

48. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

49. ENFORCEMENT

49.1. 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 49.1 (*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.

49.2. 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 Services (London) Limited at its current address at The Broadgate Tower 7th Floor, 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 five 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.

EXECUTION PAGES

BORROWERS

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
ARKOI SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
JOY SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
AVERY SHIPPING COMPANY)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
ASTYPALAI A SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi
as attorney-in-fact
for and on behalf of
KINAROS SHIPPING CORPORATION
in the presence of:

)
)
)
)
)

/s/ Alexandra Kontaxi

Witness' signature:
Witness' name:
Witness' address:

)
)
)

/s/ Georgios Panagakis
Georgios Panagakis
Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi
as attorney-in-fact
for and on behalf of
VENETIKO SHIPPING CORPORATION
in the presence of:

)
)
)
)
)

/s/ Alexandra Kontaxi

Witness' signature:
Witness' name:
Witness' address:

)
)
)

/s/ Georgios Panagakis
Georgios Panagakis
Akti Miaouli 85
Piraeus 185 38
Greece

HEDGE GUARANTORS

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
ARKOI SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
JOY SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
AVERY SHIPPING COMPANY)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
ASTYPALAIA SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
KINAROS SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

SIGNED by Alexandra Kontaxi) /s/ Alexandra Kontaxi
as attorney-in-fact)
for and on behalf of)
VENETIKO SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Georgios Panagakis
Witness' name:) Georgios Panagakis
Witness' address:) Akti Miaouli 85
Piraeus 185 38
Greece

ORIGINAL LENDERS

SIGNED by)
duly authorised)
for and on behalf of)
ABN AMRO BANK N.V.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

SIGNED by)
as attorney-in-fact)
for and on behalf of)
KINAROS SHIPPING CORPORATION)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

SIGNED by)
)
as attorney-in-fact)
for and on behalf of)
VENETIKO SHIPPING CORPORATION)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

ORIGINAL LENDERS

SIGNED by Charalampos Kazantzis)
duly authorised)
for and on behalf of)
ABN AMRO BANK N.V.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

/s/ Charalampos Kazantzis

/s/ Aikaterina Dimitriou
Aikaterina Dimitriou
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE KALLITHEA 176 74
ATHENS - GREECE

HEDGE COUNTERPARTIES

SIGNED by Charalampos Kazantzis)
duly authorised)
for and on behalf of)
ABN AMRO BANK N.V.)
in the presence of:)

Witness' signature:)
Witness' name:)
Witness' address:)

/s/ Charalampos Kazantzis

/s/ Aikaterina Dimitriou
Aikaterina Dimitriou
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE KALLITHEA 176 74
ATHENS - GREECE

ARRANGER

SIGNED by Charalampos Kazantzis)
duly authorised)
for and on behalf of)
ABN AMRO BANK N.V.)
in the presence of:)

/s/ Charalampos Kazantzis

Witness' signature:)
Witness' name:)
Witness' address:)

/s/ Aikaterina Dimitriou
Aikaterina Dimitriou
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATHENS - GREECE

FACILITY AGENT

SIGNED by Charalampos Kazantzis)
duly authorised)
for and on behalf of)
ABN AMRO BANK N.V.)
in the presence of:)

/s/ Charalampos Kazantzis

Witness' signature:)
Witness' name:)
Witness' address:)

/s/ Aikaterina Dimitriou
Aikaterina Dimitriou
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATHENS - GREECE

SECURITY AGENT

SIGNED by Charalampos Kazantzis)
duly authorised)
for and on behalf of)
ABN AMRO BANK N.V.)
in the presence of:)

/s/ Charalampos Kazantzis

Witness' signature:)
Witness' name:)
Witness' address:)

/s/ Aikaterina Dimitriou
Aikaterina Dimitriou
WATSON FARLEY & WILLIAMS
348 SYNGROU AVENUE
KALLITHEA 176 74
ATHENS - GREECE

