

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

---

**FORM 6-K**

---

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

**DATED: December 7, 2022**

**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

<a href="#">Operating and Financial Review and Prospects</a>	<u>Page</u> 1
<a href="#">Exhibit List</a>	23
<a href="#">Financial Statements Index</a>	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. 333-237934.

**Operating and Financial Review and Prospects**

The following is a discussion of the financial condition and results of operations for the three and nine month periods ended September 30, 2022 and 2021 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’ 2021 Annual Report filed on Form 20-F with the U.S. Securities and Exchange Commission (the “SEC”) on April 12, 2022.

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 and Navios Partners’ 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 drybulk, containerships and tanker vessels in particular,, fluctuations in charter rates for drybulk, containerships and tanker vessels, the aging of our fleet and resultant increases in operation 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, increase 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 Securities and Exchange Commission, 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

### Fleet Developments

- **Acquisition of Two 115,000 dwt Aframax/LR2 Newbuilding Vessels in November 2022**

Following the acquisition of four 115,000 dwt Aframax/LR2 newbuilding vessels in April 2022, Navios Partners agreed in November 2022 to acquire two additional 115,000 dwt Aframax/LR2 newbuilding vessels for a purchase price of \$60.5 million each (plus \$4.2 million in additional features). An investment grade counterparty has the option to charter both vessels for a five-year period at a rate of \$27,798 net per day. The option can be exercised in the fourth quarter of 2022. The charterer has also an option to extend each of the charters for five further one-year options at rates increasing by \$1,234 per day each year. The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2025. The closing of the transaction is subject to completion of customary documentation, including the issuance of refund guarantees.

- **Acquisition of Two Japanese-built Drybulk Vessels for \$91.3 million**

In September 2022, Navios Partners agreed to acquire one newbuilding Capesize vessel and one 2016-built Kamsarmax vessel of 84,852 dwt for an aggregate implied purchase price of \$91.3 million from an unrelated third party. The Capesize vessel is expected to be delivered into Navios Partners' fleet during the first half of 2023. The Kamsarmax vessel is expected to be delivered into Navios Partners' fleet in December 2022.

- **Delivery of Vessel**

On November 17, 2022, Navios Partners took delivery of the Navios Azalea, a 2022-built Capesize vessel of 182,064 dwt.

- **Sale of Vessels**

On December 5, 2022, Navios Partners agreed to sell the Nave Cosmos, a 2010-built tanker vessel of 25,130 dwt, to an unrelated third party, for a sales price of \$13.6 million. The sale is expected to be completed in the first quarter of 2023.

On December 5, 2022, Navios Partners agreed to sell the Nave Polaris, a 2011-built tanker vessel of 25,145 dwt, to an unrelated third party, for a sales price of \$14.7 million. The sale is expected to be completed in the first quarter of 2023.

On December 1, 2022, Navios Partners agreed to sell the Star N, a 2009-built tanker vessel of 37,836 dwt, to an unrelated third party, for a sales price of \$18.1 million. The sale is expected to be completed in the first quarter of 2023.

On November 30, 2022, Navios Partners agreed to sell the Nave Dorado, a 2005-built tanker vessel of 47,999 dwt, to an unrelated third party, for a sales price of \$15.6 million. The sale is expected to be completed in the first quarter of 2023.

On November 24, 2022, Navios Partners agreed to sell the Perseus N, a 2009-built tanker vessel of 36,264 dwt, to an unrelated third party, for a sales price of \$18.5 million. The sale is expected to be completed in the fourth quarter of 2022.

On October 25, 2022, Navios Partners agreed to sell the Navios Alegria, a 2004-built Panamax vessel of 76,466 dwt to an unrelated third party, for a sales price of \$11.0 million. The sale was completed on November 14, 2022.

On October 11, 2022, Navios Partners agreed to sell the Navios Symmetry, a 2006-built Panamax vessel of 74,381 dwt to an unrelated third party, for a sales price of \$11.7 million. The sale was completed on October 25, 2022.

### Financing Update

In October 2022, Navios Partners completed a \$100.0 million sale and leaseback transaction, with an unrelated third party, in order to refinance the existing indebtedness of 12 Containerships. The sale and leaseback transaction matures in the first quarter of 2026 and bears interest at Secured Overnight Financing Rate ("SOFR") plus 210 bps per annum.

On September 30, 2022, Navios Partners entered into a new credit facility with a commercial bank for a total amount up to \$86.2 million in order to finance the acquisition of two newbuilding 5,300 TEU containerships. The credit facility matures seven years after the drawdown date and bears interest at SOFR plus 200 bps per annum.

In September 2022, Navios Partners agreed to enter into \$84.5 million bareboat contracts under which one newbuilding Capesize vessel and one 2016-built Kamsarmax vessel will be chartered-in. The bareboat contract for the newbuilding Capesize vessel has a duration of 15 years and an implied fixed interest rate of approximately 5.5%. Navios Partners has the option to acquire the Capesize vessel starting at the end of year four until the end of the charter period. The bareboat contract for the 2016-built Kamsarmax vessel matures ten years after the drawdown date and bears interest at 1M ICE LIBOR plus 200 bps per annum.

### Overview

We are 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. Olympos Maritime Ltd. is our general partner (the "General Partner").

As of November 30, 2022, there were 30,184,388 outstanding common units and 622,296 general partnership units. Navios Maritime Holdings Inc. ("Navios Holdings") currently owns an approximately 10.3% ownership interest in Navios Partners and the General Partner currently owns an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partner units.

### Fleet

Navios Partners' fleet consists of 87 Drybulk vessels, 47 Containerships and 51 Tanker vessels, including three newbuilding Capesize chartered-in vessels under bareboat contracts expected to be delivered by the first half of 2023, one newbuilding Panamax vessel expected to be delivered by the first half of 2023, six newbuilding Aframax/LR2 vessels expected to be delivered in 2024 and by the first half of 2025, 12 newbuilding Containerships expected to be delivered by the second half of 2023 and in 2024, one secondhand Kamsarmax vessel expected to be delivered in December 2022, and five tankers agreed to be sold and expected to be delivered in the fourth quarter of 2022 and first quarter of 2023.

We generate revenues by charging our customers for the use of our vessels to transport their dry cargo commodities, containers, crude oil, refined petroleum products and/or bulk liquid chemicals. 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 November 25, 2022:

[Table of Contents](#)

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
Navios Amaryllis	Ultra-Handymax	2008	58,735	\$6,650	No	Dec-22
Navios Christine B	Ultra-Handymax	2009	58,058	—	100.0% average BSI 58 10TC	Jul-23
Navios Celestial	Ultra-Handymax	2009	58,063	\$11,400	No	Sep-23
Navios Vega	Ultra-Handymax	2009	58,792	—	100.0% average BSI 58 10TC	Feb-23
Serenitas N	Ultra-Handymax	2011	56,644	—	99.0% average BSI 58 10TC	Jan-23
Navios La Paix	Ultra-Handymax	2014	61,485	—	111% average BSI 58 10TC	Apr-23
Navios Hyperion	Panamax	2004	75,707	\$19,000	No	Nov-23
Navios Anthos	Panamax	2004	75,798	\$9,500	No	Dec-22
Navios Orbiter	Panamax	2004	76,602	—	100.0% average BPI 4TC	Sep-23
Navios Hope	Panamax	2005	75,397	—	100.0% average BPI 4TC	Jun-24
Navios Taurus	Panamax	2005	76,596	—	100.0% average BPI 4TC	Mar-23
Navios Sun	Panamax	2005	76,619	—	100.0% average BPI 4TC	Jan-23
Navios Asteriks <sup>(5)</sup>	Panamax	2005	76,801	\$16,651	No	Dec-22
				\$11,550	No	Mar-23
				—	100.0% average BPI 4TC	Sep-23
Navios Helios	Panamax	2005	77,075	\$16,363	No	Dec-22
				\$11,694	No	Mar-23
				—	100.0% average BPI 4TC	Jan-24
Navios Apollon I	Panamax	2005	87,052	—	105.0% average BPI 4TC	Jul-23
N Amalthia	Panamax	2006	75,318	—	92.0% average BPI 82	Jan-23
Navios Sagittarius	Panamax	2006	75,756	—	100.0% average BPI 4TC	Dec-22
				\$11,165	No	Mar-23
Navios Galileo	Panamax	2006	76,596	—	100.0% average BPI 4TC	Sep—23
				—	101.0% average BPI 4TC	Apr-23
N Bonanza	Panamax	2006	76,596	\$15,881	No	Dec-22
				—	100.0% average BPI 4TC	Apr-24
Navios Harmony	Panamax	2006	82,790	—	No	Spot
Navios Libertas	Panamax	2007	75,511	\$11,875	No	Dec-22
Navios Prosperity I	Panamax	2007	75,527	\$9,500	No	Dec-22
Copernicus N	Panamax	2010	93,062	—	107.0% average BPI 4TC	Sep-23
Unity N	Panamax	2011	79,642	—	100.0% average BPI 4TC	Feb-23
Odysseus N	Panamax	2011	79,642	\$15,753	No	Dec-22
				—	100.5% average BPI 4TC	Feb-23
Rainbow N	Panamax	2011	79,642	—	100.0% average BPI 4TC	Dec-22
				\$10,735	No	Mar-23
Jupiter N	Post-Panamax	2011	93,062	—	100.0% average BPI 4TC	Aug-23
				—	108.0% average BPI 4TC	Dec-22
Navios Avior	Panamax	2012	81,355	\$17,894	No	Dec-22
				\$11,814	No	Mar-23
				—	100.0% average BPI 82	Apr-23
Navios Centaurus	Panamax	2012	81,472	\$17,114	No	Dec-22
				\$11,836	No	Mar-23
				—	101.0% average BPI 82	Aug-23
Navios Victory	Panamax	2014	77,095	—	106.75% average BPI 4TC	Oct-23
Navios Sphera	Panamax	2016	84,872	\$19,060	No	Dec-22
				—	108.0% average BPI 82	Feb-23
Navios Sky <sup>(5)</sup>	Kamsarmax	2015	82,056	\$18,763	No	Jan-23
Navios Uranus <sup>(23)</sup>	Kamsarmax	2019	81,821	\$20,900	No	Feb-23
				\$20,251	No	Dec-22
Navios Herakles I <sup>(23)</sup>	Kamsarmax	2019	82,036	\$14,897	No	Mar-23
				—	115% average BPI 82	Aug-23
Navios Galaxy II <sup>(23)</sup>	Kamsarmax	2020	81,789	\$13,419	No	Dec-22
				—	125.0% average BPI 4TC	Jan-23
Navios Felicity I <sup>(23)</sup>	Kamsarmax	2020	81,962	\$31,825	No	Jan-23
Navios Magellan II <sup>(23)</sup>	Kamsarmax	2020	82,037	\$16,281	No	Dec-22
				—	124.375% average BPI 4TC	Jan-23
Navios Primavera <sup>(5)</sup>	Panamax	2022	82,003	\$16,802	No	Dec-22
				\$14,807	No	Mar-23
Navios Beaufiks <sup>(5)</sup>	Capesize	2004	180,310	—	112.0% average BPI 82	Jul-23
				\$22,563	No	Sep-23

## Table of Contents

Navios Fantastiks <sup>(5)</sup>	Capesize	2005	180,265	\$21,650	No	Mar-23
Navios Stellar <sup>(5)</sup>	Capesize	2009	169,001	—	95.75% average BCI 5TC	Mar-23
Navios Aurora II	Capesize	2009	169,031	—	99.0% average BCI 5TC	Apr-23
Navios Happiness	Capesize	2009	180,022	—	100.5% average BCI 5TC	Dec-22
Navios Bonavis <sup>(5)</sup>	Capesize	2009	180,022	—	101.5% average BCI 5TC	Mar-23
Navios Phoenix <sup>(5)</sup>	Capesize	2009	180,242	\$14,669 —	No 100.0% average BCI 5TC + \$2,000 per day	Dec-22 Jan-24
Navios Sol <sup>(5)</sup>	Capesize	2009	180,274	\$13,846 —	No 110.0% average BCI 5TC	Dec-22 Mar-23
Navios Lumen <sup>(5)</sup>	Capesize	2009	180,661	—	105.0% average BCI 5TC	Dec-22
Navios Pollux <sup>(5)</sup>	Capesize	2009	180,727	—	100.0% of pool earnings	Jan-23
Navios Antares <sup>(5)</sup>	Capesize	2010	169,059	—	95.75% average BCI 5TC	Feb-23
Navios Symphony	Capesize	2010	178,132	—	97.0% average BCI 5TC	Jan-23
Navios Melodia	Capesize	2010	179,132	—	105.0% average BCI 5TC	Feb-23
Navios Luz	Capesize	2010	179,144	—	102.0% average BCI 5TC	May-23
Navios Etoile	Capesize	2010	179,234	—	100.0% average BCI 5TC	Mar-23
Navios Buena Ventura	Capesize	2010	179,259	—	100.5% average BCI 5TC	Mar-23
Navios Bonheur	Capesize	2010	179,259	—	100.5% average BCI 5TC	Dec-22
Navios Fulvia	Capesize	2010	179,263	—	100.0% average BCI 5TC	Jan-23
Navios Aster	Capesize	2010	179,314	\$27,731 —	No 108.0% average BCI 5TC	Dec-22 Dec-23
Navios Ace <sup>(5)</sup>	Capesize	2011	179,016	—	107.25% average BCI 5TC	Feb-23
Navios Altamira	Capesize	2011	179,165	—	100.25% average BCI 5TC	Feb-23
Navios Azimuth	Capesize	2011	179,169	—	100.0% average BCI 5TC	Jan-23
Navios Koyo	Capesize	2011	181,415	\$14,499 —	No 111.0% average BCI 5TC	Dec-22 Mar-23
Navios Ray <sup>(5)</sup>	Capesize	2012	179,515	—	102.0% average BCI 5TC	Jan-23
Navios Joy	Capesize	2013	181,389	Freight Voyage	No	Nov-23
Navios Gem	Capesize	2014	181,336	\$28,500	No	Jan-23
Navios Canary <sup>(5)</sup>	Capesize	2015	180,528	—	119.0% average BCI 5TC	Dec-22
Navios Corali <sup>(5)</sup>	Capesize	2015	181,249	—	132.0% average BCI 5TC	Nov-23
Navios Mars	Capesize	2016	181,259	\$17,955 —	No 126.0% average BCI 5TC	Dec-22 Oct-23
Navios Armonia <sup>(23)</sup>	Capesize	2022	182,079	\$20,750	No	Sep-27
Navios Azalea <sup>(23)</sup>	Capesize	2022	182,064	\$19,950	No	Nov-27
Navios Astra <sup>(23)</sup>	Capesize	2022	182,393	\$21,000	No	Sep-27

## Table of Contents

Owned Containerships	Type	Built	Capacity (TEU)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
Navios Summer <sup>(5)</sup>	Containership	2006	3,450	\$45,480	No	May-23
				\$39,795	No	May-24
				\$30,320	No	May-25
				\$20,845	No	May-26
				\$34,110	No	Jul-26
Navios Verano (ex. Matson Oahu) <sup>(5)</sup>	Containership	2006	3,450	\$22,713	No	May-23
Hyundai Hongkong <sup>(4)</sup>	Containership	2006	6,800	\$30,119	No	Dec-23
				\$21,083	No	Dec-28
Hyundai Singapore <sup>(4)</sup>	Containership	2006	6,800	\$30,119	No	Dec-23
				\$21,083	No	Dec-28
Hyundai Busan <sup>(4)</sup>	Containership	2006	6,800	\$30,119	No	Aug-24
				\$21,083	No	Aug-29
Hyundai Shanghai <sup>(4)</sup>	Containership	2006	6,800	\$30,119	No	Aug-24
				\$21,083	No	Aug-29
Hyundai Tokyo <sup>(4)</sup>	Containership	2006	6,800	\$30,119	No	Dec-23
				\$21,083	No	Dec-28
Protostar N	Containership	2007	2,741	\$46,556	No	Nov-25
Navios Spring <sup>(5)</sup>	Containership	2007	3,450	\$58,500	No	May-25
Matson Lanai <sup>(5)</sup>	Containership	2007	4,250	\$55,794	No	Jul-25
				\$63,375	No	Apr-23
				\$43,875	No	Apr-24
				\$34,125	No	Apr-25
				\$24,375	No	Apr-26
				\$41,438	No	Aug-26
Navios Vermilion <sup>(5)</sup>	Containership	2007	4,250	\$54,313	No	Dec-22
				\$45,425	No	Dec-23
				\$23,972	No	Nov-24
				\$41,722	No	Dec-24
Navios Verde <sup>(5)</sup>	Containership	2007	4,250	\$20,845	No	Jun-23
				\$20,845	No	Jan-23
				\$92,381	No	Jan-24
Navios Amarillo <sup>(5)</sup>	Containership	2007	4,250	\$63,956	No	Jan-25
				\$28,425	No	Jan-26
				\$9,475	No	Jan-28
				\$22,195	No	May-23
Navios Domino <sup>(5)</sup>	Containership	2008	4,250	\$24,934	No	Jun-23
Navios Delight <sup>(5)</sup>	Containership	2008	4,250	\$45,425	No	Jan-24
				\$45,425	No	Nov-23
				\$23,972	No	Oct-24
Navios Magnolia	Containership	2008	4,730	\$41,722	No	Nov-24
				\$21,825	No	Dec-22
				\$60,000	No	Apr-25
Navios Jasmine	Containership	2008	4,730	\$30,083	No	Jul-23
				\$45,425	No	Oct-23
Navios Chrysalis	Containership	2008	4,730	\$23,972	No	Sep-24
				\$41,722	No	Oct-24
Navios Nerine	Containership	2008	4,730	\$23,972	No	Sep-24
				\$41,722	No	Oct-24
Spectrum N	Containership	2009	2,546	\$36,538	No	Mar-25
				\$63,375	No	Mar-23
Navios Devotion <sup>(5)</sup>	Containership	2009	4,250	\$43,875	No	Mar-24
				\$34,125	No	Mar-25
				\$24,375	No	Mar-26
				\$41,438	No	Jul-26
				\$45,425	No	Nov-23
				\$23,972	No	Oct-24
Navios Destiny <sup>(5)</sup>	Containership	2009	4,250	\$41,722	No	Nov-24
				\$31,353	No	May-23
Navios Lapis	Containership	2009	4,250	\$44,438	No	Sep-25
Navios Tempo	Containership	2009	4,250	\$45,425	No	Nov-23
				\$23,972	No	Oct-24
Navios Miami	Containership	2009	4,563	\$41,722	No	Nov-24
				\$21,676	No	Jun-23
Navios Dorado	Containership	2010	4,250	\$63,375	No	Jan-23
				\$43,875	No	Jan-24
				\$34,125	No	Jan-25
				\$24,375	No	Jan-26
				\$41,438	No	May-26
Zim Baltimore	Containership	2010	4,360	\$22,219	No	Dec-22
				\$60,000	No	May-25
Bahamas	Containership	2010	4,360	\$60,000	No	May-25

				\$61,114	No	Apr-23
				\$42,164	No	Apr-24
Zim Carmel	Containership	2010	4,360	\$32,689	No	Apr-25
				\$23,214	No	Apr-26
				\$39,795	No	Jun-26
Navios Unison <sup>(5)</sup>	Containership	2010	10,000	\$26,276	No	Jun-26
Navios Constellation <sup>(5)</sup>	Containership	2011	10,000	\$26,276	No	Jun-26
Fleur N	Containership	2012	2,782	\$19,750	No	Mar-24
Ete N	Containership	2012	2,782	\$19,750	No	Feb-24



[Table of Contents](#)

Owned Tanker Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate <sup>(1)</sup>	Profit Sharing Arrangements	Expiration Date <sup>(3)</sup>
Nave Cosmos <sup>(20)</sup>	Chemical Tanker	2010	25,130	Floating Rate <sup>(6)</sup>	No	Feb-23
Nave Polaris <sup>(20)</sup>	Chemical Tanker	2011	25,145	Floating Rate <sup>(6)</sup>	No	Feb-23
Hector N	MR1 Product Tanker	2008	38,402	\$14,319 \$15,306	No No	Jun-23 Oct-23
Perseus N <sup>(5) (20)</sup>	MR1 Product Tanker	2009	36,264	\$12,591	No	Dec-22
Star N <sup>(20)</sup>	MR1 Product Tanker	2009	37,836	Floating Rate <sup>(21)</sup>	No	Jan-23
Nave Dorado <sup>(20)</sup>	MR2 Product Tanker	2005	47,999	\$12,838	Yes <sup>(8)</sup>	Dec-22
Nave Equinox <sup>(13)(5)</sup>	MR2 Product Tanker	2007	50,922	\$20,392	No	Aug-24
Nave Pulsar <sup>(5)(22)</sup>	MR2 Product Tanker	2007	50,922	\$22,713	No	Jan-23
Nave Orbit <sup>(12)(5)</sup>	MR2 Product Tanker	2009	50,470	\$14,418	No	Mar-23
Nave Equator <sup>(5)</sup>	MR2 Product Tanker	2009	50,542	\$23,651	No	Jun-23
Nave Aquila <sup>(5)</sup>	MR2 Product Tanker	2012	49,991	\$27,181	No	Mar-23
Nave Atria <sup>(5)(9)</sup>	MR2 Product Tanker	2012	49,992	\$13,948	No	May-23
Nave Capella <sup>(5)</sup>	MR2 Product Tanker	2013	49,995	\$13,956 \$22,138	No No	Jan-23 Jan-25
Nave Alderamin <sup>(5)</sup>	MR2 Product Tanker	2013	49,998	\$22,138	No	Nov-24
Nave Bellatrix <sup>(5)</sup>	MR2 Product Tanker	2013	49,999	\$23,083	No	Jun-23
Nave Orion <sup>(5)</sup>	MR2 Product Tanker	2013	49,999	\$13,956 \$22,138	No No	Dec-22 Nov-24
Nave Titan <sup>(5)</sup>	MR2 Product Tanker	2013	49,999	\$13,716	No	Mar-23
Bougainville <sup>(5)</sup>	MR2 Product Tanker	2013	50,626	Floating Rate <sup>(26)</sup>	No	May-23
Nave Pyxis <sup>(5)</sup>	MR2 Product Tanker	2014	49,998	\$15,881	No	Feb-23
Nave Luminosity <sup>(24)</sup>	MR2 Product Tanker	2014	49,999	\$14,813 \$23,004	No No	Dec-22 Nov-25
Nave Jupiter	MR2 Product Tanker	2014	49,999	\$16,491	No	Aug-23
Nave Velocity <sup>(11)(5)</sup>	MR2 Product Tanker	2015	49,999	\$15,553	No	Oct-24
Nave Sextans <sup>(5)</sup>	MR2 Product Tanker	2015	49,999	\$16,844	No	May-23
Nave Ariadne	LR1 Product Tanker	2007	74,671	Floating Rate <sup>(15)</sup>	No	Feb-23
Nave Cielo	LR1 Product Tanker	2007	74,671	\$49,375 \$16,335 \$26,564	No No No	Dec-22 Sep-23 Nov-23
Aurora N	LR1 Product Tanker	2008	63,495	Floating Rate <sup>(15)</sup>	No	Feb-23
Lumen N	LR1 Product Tanker	2008	63,599	Floating Rate <sup>(15)</sup>	No	Feb-23
Nave Andromeda <sup>(5)</sup>	LR1 Product Tanker	2011	75,000	Floating Rate <sup>(16)</sup> \$28,394	No	Jan-23 Mar-25
Nave Cetus <sup>(5)</sup>	LR1 Product Tanker	2012	74,581	\$14,138 \$16,088	No No	Dec-22 Mar-23
Nave Cassiopeia <sup>(5)</sup>	LR1 Product Tanker	2012	74,711	Floating Rate <sup>(16)</sup>	No	Jan-23
Nave Estella <sup>(5)</sup>	LR1 Product Tanker	2012	75,000	\$15,400 \$28,394	No No	Dec-22 Dec-24
Nave Rigel	LR1 Product Tanker	2013	74,673	\$14,138 \$16,088	No No	Dec-22 Mar-23
Nave Atropos <sup>(5)</sup>	LR1 Product Tanker	2013	74,695	\$69,125 \$21,971	No No	Dec-22 Oct-24
Nave Photon	VLCC	2008	297,395	—	—	Spot
Nave Galactic	VLCC	2009	297,168	\$45,425	No	Sep-23
Nave Spherical	VLCC	2009	297,188	Floating Rate	Yes <sup>(18)</sup>	Jan-24
Nave Constellation	VLCC	2010	296,988	—	—	Spot
Nave Quasar	VLCC	2010	297,376	\$16,788	Yes <sup>(19)</sup>	Feb-23
Nave Synergy	VLCC	2010	299,973	Freight Voyage	No	Dec-22
Nave Universe	VLCC	2011	297,066	Freight Voyage	No	Dec-22
Nave Buena Suerte	VLCC	2011	297,491	\$47,906	Yes <sup>(10)</sup>	Jun-25

[Table of Contents](#)

Bareboat-in vessels	Type	Built	Capacity (DWT)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
Navios Libra	Panamax	2019	82,011	\$19,691 \$13,941 —	No No 109.75% average BPI 82	Dec-22 Mar-23 Jun-24
Navios Star	Panamax	2021	81,994	\$19,413 \$14,119 —	No No 110.0% average BPI 82	Dec-22 Mar-23 Apr-24
Navios Amitie	Panamax	2021	82,002	\$19,254 \$13,061 —	No No 110.0% average BPI 82	Dec-22 Mar-23 Apr-24
Baghdad <sup>(14)</sup>	VLCC	2020	313,433	\$27,816	No	Sep-30
Nave Electron	VLCC	2021	313,239	\$47,906	Yes <sup>(10)</sup>	Jan-26
Erbil <sup>(14)</sup>	VLCC	2021	313,486	\$27,816	No	Feb-31
Nave Celeste	VLCC	2022	313,418	Floating rate	Yes <sup>(17)</sup>	Jul-24

Chartered-in vessels	Type	Built	Capacity (DWT)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
Navios Lyra	Handysize	2012	34,718	\$8,550 \$9,975	No No	Jan-23 Oct-23
Navios Venus	Ultra-Handymax	2015	61,339	\$18,050	No	Feb-23
Navios Amber	Kamsarmax	2015	80,994	\$17,207 —	No 115.0% average BPI 4TC	Dec-22 Jan-23
Navios Coral	Kamsarmax	2016	84,904	—	108.0% average BPI 82	Feb-24
Navios Citrine	Kamsarmax	2017	81,626	\$16,400 —	No 122.0% average BPI 4TC	Dec-22 Feb-23
Navios Dolphin	Kamsarmax	2017	81,630	— \$14,013	122.0% average BPI 4TC No	Dec-22 Dec-24
Navios Gemini	Kamsarmax	2018	81,704	\$29,838 \$14,919	No No	Dec-22 Nov-23
Navios Horizon I	Kamsarmax	2019	81,692	\$19,361 \$13,335 —	No No 108.5% average BPI 82	Dec-22 Mar-23 Oct-23
Navios Felix	Capesize	2016	181,221	\$18,810 —	No 100.0% average BCI 5TC + \$4,085 per day	Dec-22 Jan-24

Owned Drybulk Vessels to be Delivered	Type	Delivery Date	Capacity (DWT)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
TBN III	Panamax	H1 2023	81,000	—	—	—
TBN XXIII <sup>(25)</sup>	Kamsarmax	H2 2022	84,852	\$14,197	No	Jul-24
TBN I	Capesize	H1 2023	180,000	\$19,600	No	Aug-27
TBN IV	Capesize	H1 2023	180,000	\$19,550	No	Mar-28
TBN II	Capesize	H1 2023	180,000	—	—	—

[Table of Contents](#)

Owned Containerships to be Delivered	Type	Delivery Date	Capacity (TEU)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
TBN V	Containership	H2 2023	5,300	\$42,900	No	Aug-24
				\$39,000	No	Aug-25
				\$37,050	No	Aug-26
				\$35,100	No	Aug-27
				\$31,200	No	Aug-28
TBN VI	Containership	H2 2023	5,300	\$37,050	No	Oct-28
				\$31,200	No	Nov-24
				\$37,050	No	Nov-25
				\$39,000	No	Nov-26
				\$37,050	No	Nov-27
TBN XI	Containership	H2 2023	5,300	\$35,100	No	Nov-28
				\$31,200	No	Jan-29
				\$37,050	No	Dec-24
				\$42,900	No	Dec-25
				\$39,000	No	Dec-26
TBN VII	Containership	H1 2024	5,300	\$37,050	No	Dec-27
				\$35,100	No	Dec-28
				\$31,200	No	Dec-28
				\$37,050	No	Feb-29
				\$42,900	No	Jun-25
TBN VIII	Containership	H1 2024	5,300	\$39,000	No	Jun-26
				\$37,050	No	Jun-27
				\$35,100	No	Jun-28
				\$31,200	No	Jun-29
				\$37,050	No	Aug-29
TBN XII	Containership	H1 2024	5,300	\$42,900	No	Jun-25
				\$39,000	No	Jun-26
				\$37,050	No	Jun-27
				\$35,100	No	Jun-28
				\$31,200	No	Jun-29
TBN IX	Containership	H2 2024	5,300	\$37,050	No	Aug-29
				\$35,100	No	May-25
				\$31,200	No	May-26
				\$37,050	No	May-27
				\$42,900	No	May-28
TBN X	Containership	H2 2024	5,300	\$39,000	No	May-29
				\$37,050	No	Jul-29
				\$35,100	No	Sep-25
				\$31,200	No	Sep-26
				\$37,050	No	Sep-27
TBN XIII	Containership	H2 2024	5,300	\$37,500	No	Sep-28
TBN XIV	Containership	H2 2024	5,300	\$37,500	No	Sep-29
TBN XX	Containership	H2 2024	7,700	\$57,213	No	Sep-29
				\$52,238	No	Nov-25
				\$37,313	No	Nov-26
				\$27,363	No	Nov-27
				\$24,875	No	Nov-28
TBN XIX	Containership	H2 2024	7,700	\$37,050	No	Nov-29
				\$31,200	No	Nov-29
				\$37,050	No	Nov-29
				\$31,200	No	Nov-29
				\$27,363	No	Nov-29
				\$24,875	No	Jan-30

## Table of Contents

Owned Tanker Vessels to be delivered	Type	Delivery Date	Capacity (DWT)	Charter-Out Rate <sup>(1)</sup>	Index <sup>(2)</sup>	Expiration Date <sup>(3)</sup>
TBN XV	Aframax / LR2	H1 2024	115,000	\$26,366 <sup>(7)</sup>	No	Apr-29
TBN XVI	Aframax / LR2	H2 2024	115,000	\$26,366 <sup>(7)</sup>	No	Jul-29
TBN XVII	Aframax / LR2	H2 2024	115,000	\$25,576 <sup>(7)</sup>	No	Oct-29
TBN XVIII	Aframax / LR2	H1 2025	115,000	\$25,576 <sup>(7)</sup>	No	Jan-30
TBN XXI	Aframax / LR2	H1 2025	115,000	—	—	—
TBN XXII	Aframax / LR2	H1 2025	115,000	—	—	—

- (1) Daily charter-out rate per day, net of commissions.
- (2) Index rates exclude commissions.
- (3) Estimated dates assuming the midpoint or company's best estimate of the redelivery period by charterers.
- (4) Includes optional years (NMM's option) after 2023.
- (5) The vessel is subject to a sale and leaseback transaction with a purchase obligation at the end of the lease term.
- (6) Rate based on Delta-8 pool earnings.
- (7) Charterer has the option to extend for five further one-year options at rates increasing by \$1,234 per day each year.
- (8) Profit sharing arrangement of 100% between \$12,838 and \$15,800 and 50% above \$15,800.
- (9) Charterer's option to extend the charter for up to 18 months at \$14,887 net per day.
- (10) Profit sharing arrangement of 35% above \$54,388, 40% above \$59,388 and 50% above \$69,388.
- (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) Charterer's option to extend the charter for up to 18 months at \$15,306 net per day.
- (13) The premium for when the vessel is trading on ice or follow ice breaker is \$1,481 per day.
- (14) Charterer's option to extend the bareboat charter for five years at \$29,751 net per day.
- (15) Rate based on Penfield pool earnings.
- (16) Rate based on LR8 pool earnings.
- (17) Bareboat charter based on adjusted TD3C-WS with floor \$22,572 and collar at \$29,700.
- (18) Contract provides 100% of BTR TD3C-TCE index plus \$4,875 premium until January 2023, then TD3C-TCE index plus \$1,463 premium.
- (19) Contract provides 100% of BTR TD3C-TCE index up to \$37,031 and 50% thereafter with \$16,788 floor.
- (20) Vessel agreed to be sold.
- (21) Rate based on Scorpio Handymax Tanker pool earnings.
- (22) Charterer's option to extend the charter for six months at \$27,650 net per day.
- (23) The vessel is chartered-in under bareboat contract.
- (24) Charterer's option to extend the charter for one year at \$27,913 net per day.
- (25) Secondhand vessel expected to be delivered in the fourth quarter of 2022.
- (26) Rate based on Scorpio MR pool earnings.

## 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 the nine month period ended September 30, 2022, Swissmarine Marine Pte. Ltd. Singapore ("Swissmarine") represented approximately 10.5% of total revenues. For the nine month period ended September 30, 2021, Swissmarine represented approximately 14.8% of total revenues. No other customers accounted for 10% or more of total revenues for any of the periods presented.

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

- the duration of the charters;
- the level of spot and long-term market rates at the time of charters;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in dry dock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels;
- the aggregate level of supply and demand in the shipping industry;
- economic conditions, such as the impact of inflationary cost pressures, decreased consumer discretionary spending, fluctuations in foreign currency exchange rates, increasing interest rates, and the possibility of recession or financial market instability;
- armed conflicts, such as the Russian/Ukrainian conflicts; and
- the ongoing global outbreak of COVID-19 or other epidemics or pandemics.

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. We intend to operate our vessels in the medium to 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 "Risk Factors" in our 2021 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

## [Table of Contents](#)

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 2021 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

### **Results of Operations**

#### **Overview**

The financial condition and the results of operations presented for the three and nine month periods ended September 30, 2022 and 2021 of Navios Partners presented and discussed below include the following entities:

<b>Company name</b>	<b>Vessel name</b>	<b>Country of incorporation</b>	<b>2022</b>	<b>2021</b>
Libra Shipping Enterprises Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Alegria Shipping Corporation <sup>(35)</sup>	Navios Alegria	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Felicity Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Gemini Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Galaxy Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Palermo Shipping S.A	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Fantastiks Shipping Corporation <sup>(12)</sup>	Navios Fantastiks	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Sagittarius Shipping Corporation	Navios Sagittarius	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Surf Maritime Co. <sup>(12)</sup>	Navios Pollux	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 9/30	1/01 – 9/30
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Golem Navigation Limited <sup>(13)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Perigiali Navigation Limited <sup>(12)</sup>	Navios Beaufiks	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Finian Navigation Co. <sup>(12)</sup>	Navios Ace	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Ammos Shipping Corp.	Navios Prosperity I	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Wave Shipping Corp.	Navios Libertas	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Casual Shipholding Co. <sup>(12)</sup>	Navios Sol	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Avery Shipping Company	Navios Symphony	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Coasters Ventures Ltd.	Navios Christine B	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Ianthe Maritime S.A.	Navios Aster	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 9/30	1/01 – 9/30

## Table of Contents

Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Fairy Shipping Corporation <sup>(5)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Limestone Shipping Corporation <sup>(28)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Dune Shipping Corp.	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Citrine Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Cavalli Navigation Inc.	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Seymour Trading Limited <sup>(2)</sup>	Navios Altair I	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Goldie Services Company <sup>(34)</sup>	Navios Symmetry	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Andromeda Shiptrade Limited	Navios Apollon I	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Esmeralda Shipping Corporation	Navios Sphera	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Triangle Shipping Corporation	Navios Mars	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Oceanus Shipping Corporation <sup>(19)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Cronus Shipping Corporation	Protostar N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Leto Shipping Corporation <sup>(17)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Dionysus Shipping Corporation <sup>(4)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Prometheus Shipping Corporation <sup>(18)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Camelia Shipping Inc. <sup>(31)</sup>	Navios Camelia	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Anthos Shipping Inc.	Navios Anthos	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Azalea Shipping Inc. <sup>(1)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Amaryllis Shipping Inc.	Navios Amaryllis	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Zaffre Shipping Corporation <sup>(14)</sup>	Serenitas N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Wenge Shipping Corporation <sup>(14),(20)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Sunstone Shipping Corporation <sup>(14)</sup>	Copernicus N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Fandango Shipping Corporation <sup>(14)</sup>	Unity N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Flavescent Shipping Corporation <sup>(14)</sup>	Odysseus N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Emery Shipping Corporation <sup>(15)</sup>	Navios Gem	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Rondine Management Corp. <sup>(15)</sup>	Navios Victory	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Prosperity Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Aldebaran Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
JTC Shipping and Trading Ltd. <sup>(11)</sup>	Holding Company	Malta	1/01 – 9/30	1/01 – 9/30
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Navios Maritime Operating LLC.	N/A	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 9/30	1/01 – 9/30
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Solange Shipping Ltd. <sup>(16)</sup>	Navios Avior	Marshall Is.	1/01 – 9/30	3/30 – 9/30
Mandora Shipping Ltd. <sup>(16)</sup>	Navios Centaurus	Marshall Is.	1/01 – 9/30	3/30 – 9/30
Olympia II Navigation Limited	Navios Domino	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Pingel Navigation Limited	Navios Delight	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Ebba Navigation Limited	Navios Destiny	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Clan Navigation Limited	Navios Devotion	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Sui An Navigation Limited <sup>(23)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Bertyl Ventures Co.	Navios Azure	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Silvanus Marine Company	Navios Summer	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Anthimar Marine Inc.	Navios Amarillo	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Enplo Shipping Limited	Navios Verde	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Morven Chartering Inc.	Matson Oahu	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Rodman Maritime Corp.	Navios Spring	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Isolde Shipping Inc.	Navios Indigo	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Velour Management Corp.	Navios Vermilion	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Evian Shiptrade Ltd.	Matson Lanai	Marshall Is.	1/01 – 9/30	3/31 – 9/30



## Table of Contents

Theros Ventures Limited	Navios Lapis	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Legato Shipholding Inc.	Navios Tempo	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Inastros Maritime Corp.	Navios Chrysalis	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Zoner Shiptrade S.A.	Navios Dorado	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Jasmer Shipholding Ltd.	Navios Nerine	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Thetida Marine Co.	Navios Magnolia	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Jaspero Shiptrade S.A.	Navios Jasmine	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Peran Maritime Inc.	Zim Baltimore	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Nefeli Navigation S.A.	Navios Unison	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Crayon Shipping Ltd	Navios Miami	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Chernava Marine Corp.	Bahamas	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Proteus Shiptrade S.A	Zim Carmel	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Vythos Marine Corp.	Navios Constellation	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Navios Maritime Containers Sub L.P.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Navios Partners Containers Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Boheme Navigation Company	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Navios Partners Containers Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Iliada Shipping S.A.	Operating Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Vinertree Marine Company	Operating Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Afros Maritime Inc.	Operating Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Cavos Navigation Co. <sup>(9)</sup>	Navios Libra	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Perivoia Shipmanagement Co. <sup>(10)</sup>	Navios Amitie	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Pleione Management Limited <sup>(10)</sup>	Navios Star	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Bato Marine Corp. <sup>(32)</sup>	Navios Armonia	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Agron Navigation Company <sup>(21)</sup>	Navios Azalea	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Teuta Maritime S.A. <sup>(22)</sup>	TBN IV	Marshall Is.	1/01 – 9/30	3/05 – 6/30
Ambracia Navigation Company <sup>(29)</sup>	Navios Primavera	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Artala Shipping Co. <sup>(22)</sup>	TBN II	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Migen Shipmanagement Ltd.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Bole Shipping Corporation <sup>(24)</sup>	Spectrum N	Marshall Is.	1/01 – 9/30	4/28 – 9/30
Brandeis Shipping Corporation <sup>(24)</sup>	Ete N	Marshall Is.	1/01 – 9/30	5/10 – 9/30
Buff Shipping Corporation <sup>(24)</sup>	Fleur N	Marshall Is.	1/01 – 9/30	5/10 – 9/30
Morganite Shipping Corporation <sup>(25)</sup>	TBN III	Marshall Is.	1/01 – 9/30	6/01 – 9/30
Balder Maritime Ltd. <sup>(26)</sup>	Navios Koyo	Marshall Is.	1/01 – 9/30	6/04 – 9/30
Melpomene Shipping Corporation <sup>(25)</sup>	TBN V	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Urania Shipping Corporation <sup>(25)</sup>	TBN VI	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Terpsichore Shipping Corporation <sup>(8)</sup>	TBN VII	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Erato Shipping Corporation <sup>(8)</sup>	TBN VIII	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Lavender Shipping Corporation <sup>(12)(7)</sup>	Navios Ray	Marshall Is.	1/01 – 9/30	6/30 – 9/30
Nostos Shipmanagement Corp. <sup>(12) (7)</sup>	Navios Bonavis	Marshall Is.	1/01 – 9/30	6/30 – 9/30
Navios Maritime Acquisition Corporation	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Acquisition Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Acquisition Finance (US) Inc.	Co-Issuer of Ship Mortgage Notes	Delaware	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Letil Navigation Ltd.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Partners Finance (US) Inc.	Sub-Holding Company	Delaware	1/01 – 9/30	8/25 – 9/30
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Amorgos Shipping Corporation <sup>(38)</sup>	Nave Cosmos	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Andros Shipping Corporation <sup>(38)</sup>	Nave Polaris	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antikithira Shipping Corporation	Nave Equator	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antiparos Shipping Corporation	Nave Atria	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antipaxos Shipping Corporation <sup>(39)</sup>	Nave Dorado	Marshall Is.	1/01 – 9/30	8/25 – 9/30

## Table of Contents

Antipsara Shipping Corporation	Nave Velocity	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Crete Shipping Corporation	Nave Cetus	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Delos Shipping Corporation	Nave Photon	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Folegandros Shipping Corporation	Nave Andromeda	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Ikaria Shipping Corporation	Nave Aquila	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Ios Shipping Corporation	Nave Cielo	Cayman Islands	1/01 – 9/30	8/25 – 9/30
Iraklia Shipping Corporation	Bougainville	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kimolos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kithira Shipping Corporation	Nave Orbit	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kos Shipping Corporation	Nave Bellatrix	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Lefkada Shipping Corporation	Nave Buena Suerte	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Leros Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Mytilene Shipping Corporation	Nave Orion	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Oinousses Shipping Corporation	Nave Jupiter	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Psara Shipping Corporation	Nave Luminosity	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Rhodes Shipping Corporation	Nave Cassiopeia	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Samos Shipping Corporation	Nave Synergy	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Samothrace Shipping Corporation	Nave Pulsar	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Serifos Shipping Corporation	Nave Estella	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Sifnos Shipping Corporation	Nave Titan	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Skiathos Shipping Corporation	Nave Capella	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Skopelos Shipping Corporation	Nave Ariadne	Cayman Islands	1/01 – 9/30	8/25 – 9/30
Skyros Shipping Corporation	Nave Sextans	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Syros Shipping Corporation	Nave Alderamin	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Thera Shipping Corporation	Nave Atropos	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Tilos Shipping Corporation	Nave Spherical	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Tinos Shipping Corporation	Nave Rigel	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Zakynthos Shipping Corporation	Nave Quasar	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Cyrus Investments Corp.	Baghdad	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Olivia Enterprises Corp.	Erbil	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Limnos Shipping Corporation	Nave Pyxis	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Thasos Shipping Corporation	Nave Equinox	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Agistri Shipping Limited	Operating Subsidiary	Malta	1/01 – 9/30	8/25 – 9/30
Paxos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Donoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Schinousa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Alonnisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Makronisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Shinyo Loyalty Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Navigator Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Shinyo Dream Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Kannika Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Kieran Limited	Nave Universe	British Virgin Islands	1/01 – 9/30	8/25 – 9/30
Shinyo Ocean Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Saowalak Limited	Nave Constellation	British Virgin Islands	1/01 – 9/30	8/25 – 9/30
Sikinos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kerkyra Shipping Corporation	Nave Galactic	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Doxa International Corp.	Nave Electron	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Alkmene Shipping Corporation <sup>(38)</sup>	Star N	Marshall Is.	1/01 – 9/30	8/25 – 9/30



## Table of Contents

Aphrodite Shipping Corporation	Aurora N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Dione Shipping Corporation	Lumen N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Persephone Shipping Corporation	Hector N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Rhea Shipping Corporation <sup>(36)</sup>	Perseus N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Tzia Shipping Corporation <sup>(30)</sup>	Nave Celeste	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Boysenberry Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Cadmium Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Celadon Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Cerulean Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kleio Shipping Corporation <sup>(6)</sup>	TBN IX	Marshall Is.	1/01 – 9/30	8/12 – 9/30
Polymnia Shipping Corporation <sup>(6)</sup>	TBN X	Marshall Is.	1/01 – 9/30	8/12 – 9/30
Goddess Shiptrade Inc.	Navios Astra	Marshall Is.	1/01 – 9/30	8/02 – 9/30
Navios Acquisition Merger Sub. Inc.	Merger SPV	Marshall Is.	1/01 – 9/30	8/23 – 9/30
Aramis Navigation Inc. <sup>(3)</sup>	Navios Azimuth	Marshall Is.	1/01 – 9/30	7/09 – 9/30
Thalia Shipping Corporation <sup>(6)</sup>	TBN XIII	Marshall Is.	1/01 – 9/30	—
Muses Shipping Corporation <sup>(6)</sup>	TBN XIV	Marshall Is.	1/01 – 9/30	—
Euterpe Shipping Corporation <sup>(8)</sup>	TBN XII	Marshall Is.	1/01 – 9/30	—
Calliope Shipping Corporation <sup>(25)</sup>	TBN XI	Marshall Is.	1/01 – 9/30	—
Karpathos Shipping Corporation <sup>(6)</sup>	TBN XIX	Marshall Is.	6/22 – 9/30	—
Patmos Shipping Corporation <sup>(27)</sup>	TBN XX	Marshall Is.	6/22 – 9/30	—
Tarak Shipping Corporation <sup>(8)</sup>	TBN XV	Marshall Is.	4/26 – 9/30	—
Astrovalos Shipping Corporation <sup>(6)</sup>	TBN XVI	Marshall Is.	4/26 – 9/30	—
Ithaki Shipping Corporation <sup>(6)</sup>	TBN XVII	Marshall Is.	4/26 – 9/30	—
Gavdos Shipping Corporation <sup>(27)</sup>	TBN XVIII	Marshall Is.	4/26 – 9/30	—
Galera Management Company <sup>(22)</sup>	TBN I	Marshall Is.	6/24 – 9/30	—
Vatselo Enterprises Corp. <sup>(21)</sup>	TBN XXIII	Marshall Is.	6/24 – 9/30	—
Thalassa Marine S.A.	Navios Galaxy II	Marshall Is.	7/29 – 9/30	—
Anafi Shipping Corporation <sup>(12)</sup>	Navios Sky	Marshall Is.	9/08 – 9/30	—
Asteroid Shipping S.A.	Navios Herakles I	Marshall Is.	7/29 – 9/30	—
Bulkinvest S.A.	Operating Company	Luxembourg	9/08 – 9/30	—
Cloud Atlas Marine S.A.	Navios Uranus	Marshall Is.	7/29 – 9/30	—
Corsair Shipping Ltd. <sup>(33)</sup>	Navios Ulysses	Marshall Is.	9/08 – 9/30	—
Ducale Marine Inc.	Navios Etoile	Marshall Is.	9/08 – 9/30	—
Faith Marine Ltd <sup>(12)</sup>	Navios Altamira	Marshall Is.	9/08 – 9/30	—
Kleimar N.V. <sup>(37)</sup>	Operating Company/Vessel Owning Company/ Management Company	Belgium	9/08 – 9/30	—
Iris Shipping Corporation	N Amathia	Marshall Is.	9/08 – 9/30	—
Moonstone Shipping Corporation	Jupiter N	Marshall Is.	9/08 – 9/30	—
NAV Holdings Limited	Sub-Holding Company	Malta	9/08 – 9/30	—
Navios International Inc.	Operating Company	Marshall Is.	7/29 – 9/30	—
Veja Navigation Company	Sub-Holding Company	Marshall Is.	9/08 – 9/30	—
Vernazza Shiptrade Inc. <sup>(12)</sup>	Navios Canary	Marshall Is.	9/08 – 9/30	—
White Narcissus Marine S.A. <sup>(12) (37)</sup>	Navios Asteriks	Marshall Is.	9/08 – 9/30	—
Talia Shiptrade S.A.	Navios Magellan II	Marshall Is.	7/29 – 9/30	—
Shikhar Ventures S.A. <sup>(12)</sup>	Navios Stellar	Liberia	9/08 – 9/30	—
Opal Shipping Corporation	Rainbow N	Marshall Is.	9/08 – 9/30	—
Pharos Navigation S.A. <sup>(12)</sup>	Navios Phoenix	Marshall Is.	9/08 – 9/30	—
Pueblo Holdings Ltd. <sup>(12)</sup>	Navios Lumen	Marshall Is.	9/08 – 9/30	—
Red Rose Shipping Corp.	Navios Bonheur	Marshall Is.	9/08 – 9/30	—

## Table of Contents

Rider Shipmanagement Inc.	Navios Felicity I	Marshall Is.	7/29 – 9/30	—
Roselite Shipping Corporation <sup>(12)</sup>	Navios Corali	Marshall Is.	9/08 – 9/30	—
Rumer Holding Ltd. <sup>(12)</sup>	Navios Antares	Marshall Is.	9/08 – 9/30	—
Jasmine Shipping Corporation	N Bonanza	Marshall Is.	9/08 – 9/30	—
Highbird Management Inc.	Navios Celestial	Marshall Is.	9/08 – 9/30	—

- (1) The vessel was sold on August 13, 2021.
- (2) The vessel was sold on October 29, 2021.
- (3) The vessel was acquired on July 9, 2021.
- (4) The vessel was sold on August 16, 2021.
- (5) The vessel was sold on September 12, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (6) Expected to be delivered by the second half of 2024.
- (7) The vessel was acquired on June 30, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (8) Expected to be delivered by the first half of 2024.
- (9) The vessel was delivered on July 24, 2019 (see Note 15 – Leases to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (10) The vessels were delivered on May 28, 2021 and June 10, 2021 (see Note 15 – Leases to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (11) Not a vessel-owning subsidiary and only holds right to charter-in contracts.
- (12) Vessels under the sale and leaseback transaction.
- (13) The vessel was sold on December 10, 2020.
- (14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II.
- (15) The vessels were acquired on September 30, 2020.
- (16) The vessels were acquired on March 30, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (17) The vessel was sold on January 13, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (18) The vessel was sold on January 28, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (19) The vessel was sold on February 10, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (20) The vessel was sold on March 25, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (21) Expected to be delivered by the second half of 2022.
- (22) Expected to be delivered in the first half of 2023.
- (23) The vessel was sold on July 31, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (24) The vessels were acquired on May 10, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (25) Expected to be delivered by the second half of 2023.
- (26) The vessel was acquired on June 4, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (27) Expected to be delivered by the first half of 2025.
- (28) The vessel was sold on September 21, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (29) The vessel was acquired on July 27, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (30) The vessel was delivered on July 5, 2022 (see Note 15 – Leases to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (31) The vessel was sold on November 17, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (32) The vessel was acquired on September 21, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (33) The vessel was sold on October 14, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (34) The vessel was sold on October 25, 2022 (see Note 17 – Subsequent events to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (35) The vessel was sold on November 14, 2022 (see Note 17 – Subsequent events to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (36) The vessels agreed to be sold in November 2022. The sale is expected to be completed in the fourth quarter of 2022 (see Note 17 – Subsequent events to the unaudited condensed consolidated financial statements included elsewhere in this Report).

## Table of Contents

- (37) The vessel is owned 50% by White Narcissus Marine S.A. and 50% by Kleimar N.V.
- (38) The vessel agreed to be sold in December 2022. The sale is expected to be completed in the first quarter of 2023 (see Note 17 – Subsequent events to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (39) The vessels agreed to be sold in November 2022. The sale is expected to be completed in the first quarter of 2023 (see Note 17 – Subsequent events to the unaudited condensed consolidated financial statements included elsewhere in this Report).

The following table reflects certain key indicators of Navios Partners' fleet performance for the three and nine month periods ended September 30, 2022 and 2021 (including, for 2021, the Navios Maritime Containers L.P.'s ("Navios Containers") fleet and Navios Maritime Acquisition Corporation's ("Navios Acquisition") fleet from April 1, 2021 and from August 26, 2021, respectively).

	Three Month Period Ended September 30, 2022 (unaudited)	Three Month Period Ended September 30, 2021 (unaudited)	Nine Month Period Ended September 30, 2022 (unaudited)	Nine Month Period Ended September 30, 2021 (unaudited)
Available Days <sup>(1)</sup>	12,897	9,027	35,394	20,521
Operating Days <sup>(2)</sup>	12,785	8,951	35,008	20,342
Fleet Utilization <sup>(3)</sup>	99.1%	99.2%	98.9%	99.1%
Time Charter Equivalent rate (per day) <sup>(4)</sup>	\$ 23,781	\$ 24,447	\$ 22,717	\$ 20,991
Vessels operating at end of periods	166	129	166	129

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

## FINANCIAL HIGHLIGHTS

Upon completion of the merger (the "NMCI Merger") with Navios Containers and the merger with Navios Acquisition (the "NNA Merger"), the results of operations of Navios Containers and Navios Acquisition are included in Navios Partners' condensed Consolidated Statements of Operations.

The following table presents consolidated revenue and expense information for the three and nine month periods ended September 30, 2022 and 2021.

	Three Month Period Ended September 30, 2022 (\$ '000) (unaudited)	Three Month Period Ended September 30, 2021 (\$ '000) (unaudited)	Nine Month Period Ended September 30, 2022 (\$ '000) (unaudited)	Nine Month Period Ended September 30, 2021 (\$ '000) (unaudited)
Time charter and voyage revenues	\$ 322,387	\$ 227,957	\$ 839,665	\$ 445,029
Time charter and voyage expenses	(35,439)	(11,465)	(74,300)	(19,829)
Direct vessel expenses	(15,398)	(10,864)	(39,511)	(18,007)
Vessel operating expenses (entirely through related parties transactions)	(78,928)	(53,952)	(226,089)	(118,685)
General and administrative expenses	(15,597)	(9,491)	(43,683)	(24,717)
Depreciation and amortization of intangible assets	(59,270)	(32,102)	(143,820)	(67,309)
Amortization of unfavorable lease terms	24,779	35,576	64,205	77,602
Gain on sale of vessels, net	143,764	30,859	143,764	30,348
Interest expense and finance cost, net	(22,270)	(14,446)	(50,019)	(27,624)
Interest income	74	—	98	859
Other expense, net	(6,938)	(4,969)	(9,321)	(8,864)
Equity in net earnings of affiliated companies	—	—	—	80,839
Transaction costs	—	(2,870)	—	(2,870)
Bargain gain	—	3,962	—	48,015
<b>Net income</b>	<b>\$ 257,164</b>	<b>\$ 158,195</b>	<b>\$ 460,989</b>	<b>\$ 394,787</b>
Net loss attributable to the noncontrolling interest	—	3,859	—	3,859
<b>Net income attributable to Navios Partners unitholders</b>	<b>\$ 257,164</b>	<b>\$ 162,054</b>	<b>\$ 460,989</b>	<b>\$ 398,646</b>
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 321,433</b>	<b>\$ 177,185</b>	<b>\$ 611,028</b>	<b>\$ 426,160</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 177,669</b>	<b>\$ 145,234</b>	<b>\$ 467,264</b>	<b>\$ 269,828</b>
<b>Operating Surplus<sup>(1)</sup></b>	<b>\$ 94,790</b>	<b>\$ 104,693</b>	<b>\$ 240,859</b>	<b>\$ 183,059</b>

- (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 September 30, 2022 compared to the Three Month Period ended September 30, 2021

**Time charter and voyage revenues:** Time charter and voyage revenues of Navios Partners for the three month period ended September 30, 2022 increased by \$94.4 million, or 41.4%, to \$322.4 million, as compared to \$228.0 million for the same period in 2021. The increase in revenue was mainly attributable to the increase in the size of our fleet. For the three month period ended September 30, 2022, the time charter and voyage revenues were affected by \$13.6 million relating to the straight-line effect of the containerships charters with de-escalating rates. The TCE rate decreased by 2.7% to \$23,781 per day, as compared to \$24,447 per day for the same period in 2021. The available days of the fleet increased by 42.9% to 12,897 days for the three month period ended September 30, 2022, as compared to 9,027 for the same period in 2021, mainly due to the acquisition of the 36-vessel drybulk fleet and the NNA Merger.

**Time charter and voyage expenses:** Time charter and voyage expenses for the three month period ended September 30, 2022 increased by approximately \$23.9 million to \$35.4 million, as compared to \$11.5 million for the three month period ended September 30, 2021. The increase was mainly attributable to a: (i) \$13.2 million increase in bareboat and charter-in hire expense due to the delivery of one bareboat-in vessel during the third quarter of 2022, the NNA Merger and the delivery of five chartered-in vessels upon the acquisition of the 36-vessel drybulk fleet during the third quarter of 2022; (ii) \$6.4 million increase in bunkers expenses; (iii) \$2.0 million net increase in other voyage expenses; (iv) \$1.9 million increase in brokers' commissions; and (v) \$0.4 million increase in port expenses related to freight voyages.

**Direct vessel expenses:** Direct vessel expenses for the three month period ended September 30, 2022 increased by \$4.5 million, to \$15.4 million, as compared to \$10.9 million for the three month period ended September 30, 2021. The increase of \$4.5 million was mainly attributable to the amortization of deferred drydock and special survey costs and insurance costs due to the increase in the size of our fleet.

**Vessel operating expenses:** Vessel operating expenses for the three month period ended September 30, 2022, increased by approximately \$24.9 million, or 46.1%, to \$78.9 million, as compared to \$54.0 million for the same period in 2021. The increase was mainly due to the increase in the size of our fleet.

**General and administrative expenses:** General and administrative expenses increased by \$6.1 million to \$15.6 million for the three month period ended September 30, 2022, as compared to \$9.5 million for the three month period ended September 30, 2021. The increase was mainly due to a: (i) \$4.2 million increase in administrative fees paid to Navios Shipmanagement Inc., (the "Manager") and Navios Tankers Management Inc. ("Tankers Manager" and together with the Manager, the "Managers") due to the increased number of vessels in Navios Partners' fleet; and (ii) \$2.0 million increase in legal and professional fees, as well as audit fees and other administrative expenses. The above increase was partially mitigated by a \$0.1 million decrease in stock-based compensation.

**Depreciation and amortization of intangible assets:** Depreciation and amortization of intangible assets amounted to \$59.3 million for the three month period ended September 30, 2022, as compared to \$32.1 million for the three month period ended September 30, 2021. The increase of \$27.2 million was mainly attributable to: (i) an \$18.0 million increase due to the delivery of the 36-vessel drybulk fleet in Navios Partners' owned fleet; (ii) a \$9.0 million increase due to the delivery of the fleet of Navios Acquisition in Navios Partners' owned fleet; (iii) a \$0.3 million increase due to the delivery of three vessels in the third quarter of 2022; and (iv) a \$0.2 million increase due to vessel additions. The above increase was partially mitigated by a \$0.3 million decrease due to the sale of two and four vessels in the third quarter of 2022 and in the same period in 2021, respectively.

**Amortization of unfavorable lease terms:** Amortization of unfavorable lease terms amounted to \$24.8 million for the three month period ended September 30, 2022 as compared to \$35.6 million for the three month period ended September 30, 2021, that related to the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Containers, at the date of obtaining control of Navios Acquisition and at the date of the acquisition of the 36-vessel drybulk fleet. Amortization of unfavorable lease terms amounted to \$35.6 million for the three month period ended September 30, 2021, related to the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Containers and at the date of obtaining control of Navios Acquisition.

**Gain on sale of vessels, net:** Gain on sale of vessels, net amounted to \$143.8 million for the three month period ended September 30, 2022, relating to the sale of the Navios Unite and the Navios Utmost. Gain on sale of vessels amounted to \$30.9 million for the three month period ended September 30, 2021, relating to the sale of the Harmony N, the Navios Azalea and the Navios Dedication.

**Interest expense and finance cost, net:** Interest expense and finance cost, net, for the three month period ended September 30, 2022 increased by approximately \$7.9 million or 54.9% to \$22.3 million, as compared to \$14.4 million for the three month period ended September 30, 2021. The increase was mainly due to the increase in Navios Partners' average loan balance to \$1,579.0 million for the three month period ended September 30, 2022 as compared to \$1,071.9 million for the same period of 2021 due to the credit facilities and financial liabilities recognized following the NNA Merger and the acquisition of the 36-vessel drybulk fleet of Navios Holdings and to the increase of the weighted average interest rate for the three month period ended September 30, 2022 to 5.59% from 4.77% for the same period in 2021.

**Interest income:** Interest income amounted to \$0.1 million for the three month period ended September 30, 2022, as compared to \$0 for the three month period ended September 30, 2021.

**Other expense, net:** Other expense, net for the three month period ended September 30, 2022 increased by \$1.9 million to \$6.9 million, as compared to \$5.0 million for the three month period ended September 30, 2021, mainly due to the increase in claims related expenses.

**Transaction costs:** Transaction costs amounted to \$2.9 million for the three month period ended September 30, 2021 and were related to the NNA Merger. There were no transaction costs for the three month period ended September 30, 2022.

**Bargain gain:** Bargain gain amounted to \$4.0 million for the three month period ended September 30, 2021, resulting from the excess of Navios Acquisition's fair value of the identifiable assets acquired of \$211.6 million over the fair value of the consideration transferred of \$150.0 million and the fair value of the noncontrolling interest of \$57.6 million. There was no bargain gain for the three month period ended September 30, 2022.



## [Table of Contents](#)

**Net income:** Net income for the three month period ended September 30, 2022 amounted to \$257.2 million as compared to \$158.2 million net income for the three month period ended September 30, 2021. The increase of \$99.0 million was due to the factors discussed above.

**Operating surplus:** Navios Partners generated Operating Surplus for the three month period ended September 30, 2022 of \$94.8 million, as compared to \$104.7 million for the three month period ended September 30, 2021. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (See "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" contained herein).

### **For the Nine Month Period ended September 30, 2022 compared to the Nine Month Period ended September 30, 2021**

**Time charter and voyage revenues:** Time charter and voyage revenues of Navios Partners for the nine month period ended September 30, 2022 increased by approximately \$394.7 million, or 88.7%, to \$839.7 million, as compared to \$445.0 million for the same period in 2021. The increase in revenue was mainly attributable to the increase in the size of our fleet and to the increase in TCE rate. For the nine month period ended September 30, 2022, the time charter and voyage revenues were affected by \$30.1 million relating to the straight-line effect of the containerships charters with de-escalating rates. The TCE rate increased by 8.2% to \$22,717 per day, as compared to \$20,991 per day in the same period in 2021. The available days of the fleet increased by 72.5% to 35,394 days for the nine month period ended September 30, 2022, as compared to 20,521 days in the same period in 2021, mainly due to the acquisition of the 36-vessel drybulk fleet, the NMCI Merger and the NNA Merger.

**Time charter and voyage expenses:** Time charter and voyage expenses for the nine month period ended September 30, 2022 increased by \$54.5 million to \$74.3 million, as compared to \$19.8 million for the nine month period ended September 30, 2021. The increase was mainly attributable to a: (i) \$27.1 million increase in bareboat and charter-in hire expense due to the delivery of one bareboat-in vessel during the third quarter of 2022, the NNA Merger and the delivery of five chartered-in vessels upon the acquisition of the 36-vessel drybulk fleet during the third quarter of 2022; (ii) \$14.0 million increase in bunkers expenses; (iii) \$6.3 million increase in brokers' commissions; (iv) \$5.5 million net increase in other voyage expenses; and (v) \$1.6 million increase in port expenses related to the freight voyages.

**Direct vessel expenses:** Direct vessel expenses for the nine month period ended September 30, 2022 increased by \$21.5 million, to \$39.5 million, as compared to \$18.0 million for the nine month period ended September 30, 2021. The increase of \$21.5 million was mainly attributable to the amortization of deferred drydock and special survey costs due to the increase in the size of our fleet, insurance costs due to the increase in the size of our fleet and crew related expenses as a result of COVID-19 measures pursuant to the terms of the Management Agreements (defined herein).

**Vessel operating expenses:** Vessel operating expenses for the nine month period ended September 30, 2022, increased by \$107.4 million, or 90.5%, to \$226.1 million, as compared to \$118.7 million for the same period in 2021. The increase was mainly due to the increase in the size of our fleet.

**General and administrative expenses:** General and administrative expenses increased by \$19.0 million to \$43.7 million for the nine month period ended September 30, 2022, as compared to \$24.7 million for the nine month period ended September 30, 2021. The increase was mainly due to a: (i) \$14.9 million increase in administrative fees paid to the Managers due to the increased number of vessels in Navios Partners' fleet; and (ii) \$4.4 million increase in legal and professional fees, as well as audit fees and other administrative expenses. The above increase was partially mitigated by an approximately \$0.3 million decrease in stock based compensation.

**Depreciation and amortization of intangible assets:** Depreciation and amortization of intangible assets amounted to \$143.8 million for the nine month period ended September 30, 2022, as compared to \$67.3 million for the nine month period ended September 30, 2021. The increase of \$76.5 million was mainly attributable to: (i) a \$46.9 million increase due to the delivery of the fleet of Navios Acquisition in Navios Partners' owned fleet; (ii) an \$18.0 million increase due to the delivery of the 36-vessel drybulk fleet in Navios Partners' owned fleet; (iii) an \$8.1 million increase due to the delivery of the fleet of Navios Containers in Navios Partners' owned fleet; (iv) a \$4.4 million increase due to the delivery of three and nine vessels in 2022 and 2021, respectively; and (v) a \$0.6 million increase due to vessel additions. The above increase was partially mitigated by a \$1.5 million decrease due to the sale of two and eight vessels in 2022 and 2021, respectively.

**Amortization of unfavorable lease terms:** Amortization of unfavorable lease terms amounted to \$64.2 million for the nine month period ended September 30, 2022 as compared to \$77.6 million for the nine month period ended September 30, 2021, that related to the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Containers, at the date of obtaining control of Navios Acquisition, and at the date of the acquisition of the 36-vessel drybulk fleet.

**Gain on sale of vessels, net:** Gain on sale of vessels, net amounted to \$143.8 million for the nine month period ended September 30, 2022, relating to the sale of the Navios Unite and the Navios Utmost. Gain on sale of vessels amounted to \$30.3 million for the nine month period ended September 30, 2021, relating to a gain on sale of the Harmony N, the Navios Azalea, the Navios Dedication, the Esperanza N, the Castor N and the Solar N amounted to \$31.7 million, partially mitigated by a loss on sale of the Joie N amounted to \$1.4 million.

**Interest expense and finance cost, net:** Interest expense and finance cost, net, for the nine month period ended September 30, 2022 increased by approximately \$22.4 million or 81.2%, to \$50.0 million, as compared to \$27.6 million for the nine month period ended September 30, 2021. The increase was mainly due to the increase in Navios Partners' average loan balance to \$1,415.2 million for the nine month period ended September 30, 2022 as compared to the \$758.8 million for the same period of 2021 due to credit facilities and financial liabilities recognized following the acquisition of 36-vessel drybulk fleet of Navios Holdings, the NNA Merger and the NMCI Merger and due to the increase of the weighted average interest rate for the nine month period ended September 30, 2022 to 4.59% from 4.29% for the same period in 2021.

**Interest income:** Interest income decreased by \$0.8 million to \$0.1 million for the nine month period ended September 30, 2022, as compared to \$0.9 million for the nine month period ended September 30, 2021.

**Other expense, net:** Other expense, net for the nine month period ended September 30, 2022 amounted to \$9.3 million, as compared to \$8.9 million for the nine month period ended September 30, 2021 mainly due to the increase in claims related expenses.

**Equity in net earnings of affiliated companies:** Equity in net earnings of affiliated companies for the nine month period ended September 30, 2021 amounted to \$80.8 million. The amount of \$80.8 million is the gain from equity in net earnings resulting from remeasurement of existing interest held in

Navios Containers upon the NMCI Merger. As of March 31, 2021, Navios Partners' previously held interest of 35.7% in Navios Containers was remeasured to a fair value of \$107.0 million, resulting in revaluation gain of \$75.4 million which along with the equity gain of approximately \$5.4 million from the operations of Navios Containers, up to the closing date, aggregate to a gain on acquisition of control in the amount of \$80.8 million. There was no equity in net earnings of affiliated companies for the nine month period ended September 30, 2022.

## [Table of Contents](#)

**Bargain gain:** Bargain gain amounted to \$48.0 million for the nine month period ended September 30, 2021, resulting from the excess Navios Containers' fair value of the identifiable assets acquired of \$342.7 million over the total purchase price consideration of \$298.6 million and Navios Acquisition's fair value of the identifiable assets acquired of \$211.6 million over the fair value of the consideration transferred of \$150.0 million and the fair value of the noncontrolling interest of \$57.6 million. There was no bargain gain for the nine month period ended September 30, 2022.

**Transaction costs:** Transaction costs amounted to \$2.9 million for the nine month period ended September 30, 2021 and were related to the NNA Merger. There were no transaction costs for the nine month period ended September 30, 2022.

**Net income:** Net income for the nine month period ended September 30, 2022 amounted to \$461.0 million as compared to \$394.8 million net income for the nine month period ended September 30, 2021. The increase in net income of approximately \$66.2 million was due to the factors discussed above.

**Operating surplus:** Navios Partners generated Operating Surplus for the nine month period ended September 30, 2022 of \$240.9 million, as compared to \$183.1 million for the nine month period ended September 30, 2021.

### Off-Balance Sheet Arrangements

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

### Liquidity and Capital Resources

In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements including those under our credit facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from our operations, proceeds from asset sales, long-term bank borrowings, debt raisings, and equity offerings. As of September 30, 2022, Navios Partners' current assets totaled \$239.9 million, while current liabilities totaled \$597.9 million, resulting in a negative working capital position of \$358.0 million. Navios Partners' cash forecast indicates that it will generate sufficient cash through its contracted revenue of \$3.4 billion as of November 25, 2022 and cash proceeds from the sale of vessels (see Note 5 - Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report and Note 17 - 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, 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 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, or at all, to meet our liquidity needs.

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

	Nine Month Period Ended September 30, 2022 (\$ '000) (unaudited)	Nine Month Period Ended September 30, 2021 (\$'000) (unaudited)
Net cash provided by operating activities	\$ 366,271	\$ 148,153
Net cash used in investing activities	(265,710)	(103,052)
Net cash (used in)/ provided by financing activities	(159,687)	65,351
<b>(Decrease)/ increase in cash, cash equivalents and restricted cash</b>	<b>\$ (59,126)</b>	<b>\$ 110,452</b>

### Cash provided by operating activities for the nine month period ended September 30, 2022 as compared to the cash provided by operating activities for the nine month period ended September 30, 2021

Net cash provided by operating activities increased by \$218.1 million to \$366.3 million of cash provided by operating activities for the nine month period ended September 30, 2022, as compared to \$148.2 million of cash provided by operating activities for the same period in 2021. 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 was \$2.2 million of non-cash negative net adjustments for the nine month period ended September 30, 2022, which consisted mainly of the following adjustments: (i) \$143.8 million gain from sale of vessels; and (ii) \$64.2 million amortization of unfavorable lease terms. These adjustments were partially mitigated by: (i) \$143.8 million depreciation and amortization of intangible assets; (ii) \$36.2 million non-cash amortization of deferred revenue and straight-line effect of the containerships charters with de-escalating rates; (iii) \$20.5 million amortization of deferred dry dock and special survey costs; (iv) \$3.9 million amortization and write-off of deferred finance costs and discount; (v) \$1.3 million amortization of operating lease assets/ liabilities; and (vi) \$0.1 million stock based compensation.

The net cash outflow resulting from the change in operating assets and liabilities of \$92.5 million for the nine month period ended September 30, 2022 resulted from: (i) \$48.8 million in payments for dry dock and special survey costs; (ii) a \$26.2 million increase in prepaid expenses and other current assets; (iii) a \$21.6 million increase in accounts receivable; (iv) a \$6.8 million increase in amounts due from related parties; and (v) a \$2.4 million decrease in amounts due to related parties. This was partially mitigated by: (i) a \$7.8 million increase in accounts payable; (ii) a \$4.3 million increase in deferred revenue; and (iii) a \$1.2 million increase in accrued expenses.

The aggregate adjustments to reconcile net income to net cash provided by operating activities was a \$157.5 million net loss for the nine month period ended September 30, 2021, which consisted mainly of the following adjustments: (i) \$80.8 million equity in net earnings of affiliated companies; (ii) \$77.6 million amortization of unfavorable lease terms; (iii) \$48.0 million bargain gain related to the NMCI Merger and the control obtained over Navios



Acquisition; (iv) \$30.3 million gain on sale of assets; (v) \$1.7 million non-cash accrued interest income and amortization of deferred revenue; and (vi) \$0.2 million amortization of operating lease right-of-use asset. These adjustments were partially mitigated by: (i) \$67.3 million depreciation and amortization of intangible assets; (ii) \$11.0 million amortization of deferred dry dock and special survey costs; (iii) \$2.5 million amortization and write-off of deferred finance costs and discount; and (iv) \$0.3 million stock based compensation.

## [Table of Contents](#)

The net cash outflow resulting from the change in operating assets and liabilities of \$89.1 million for the nine month period ended September 30, 2021 resulted from a \$37.5 million decrease in amounts due to related parties, a \$32.5 million in payments for dry dock and special survey costs, an \$18.2 million increase in amounts due from related parties, a \$6.6 million increase in prepaid expenses and other current assets, a \$5.6 million decrease in accrued expenses and a \$5.0 million increase in accounts receivable. This was partially mitigated by a \$13.3 million increase in deferred revenue and a \$3.0 million increase in accounts payable.

### **Cash used in investing activities for the nine month period ended September 30, 2022 as compared to the cash used in investing activities for the nine month period ended September 30, 2021**

Net cash used in investing activities for the nine month period ended September 30, 2022 amounted to \$265.7 million as compared to \$103.1 million cash used in investing activities for the nine month period ended September 30, 2021.

Cash used in investing activities of \$265.7 million for the nine month period ended September 30, 2022 was mainly due to: (i) \$395.4 million related to vessels' acquisitions and additions; and (ii) \$95.5 million related to deposits for the acquisition/ option to acquire vessels and capitalized expenses. This was partially mitigated by : (i) \$215.3 million proceeds related to the sale of two vessels; and (ii) \$9.9 million cash acquired through the delivery of the 36-vessel drybulk fleet.

Cash used in investing activities of approximately \$103.1 million for the nine month period ended September 30, 2021 was mainly due to: (i) \$213.8 million related to vessels acquisitions and additions; and (ii) \$48.5 million related to deposits for the option to acquire seven bareboat charter-in vessels, four newbuilding containership vessels and capitalized expenses. This was partially mitigated by: (i) \$107.6 million of proceeds related to the sale of seven vessels; (ii) \$42.7 million cash acquired from Navios Containers and Navios Acquisition following the NMCI Merger and the control obtained over Navios Acquisition, respectively; and (iii) an \$8.9 million of proceeds from the senior unsecured notes of HMM.

### **Cash used in financing activities for the nine month period ended September 30, 2022 as compared to cash provided by financing activities for the nine month period ended September 30, 2021**

Net cash provided by financing activities decreased by approximately \$225.1 million to \$159.7 million outflow for the nine month period ended September 30, 2022, as compared to \$65.4 million inflow for the same period in 2021.

Cash used in financing activities of \$159.7 million for the nine month period ended September 30, 2022 was mainly due to: (i) \$497.6 million repayments of loans and financial liabilities ; (ii) \$4.6 million payments in total for cash distributions; and (iii) \$2.7 million payments of deferred finance costs related to the new credit facilities. This was partially mitigated by \$345.2 million proceeds from new credit facilities.

Cash provided by financing activities of \$65.4 million for the nine month period ended September 30, 2021 was mainly due to: (i) \$662.6 million proceeds from the new credit facilities and sale and leaseback agreements; and (ii) \$206.6 million proceeds from the issuance of 7,330,222 common units and 315,586 additional general partner units related to the Continuous Offering Program Sales Agreements and the acquisition of Navios Containers. This was partially mitigated by: (i) \$789.4 million repayments of loans and financial liabilities; (ii) \$11.3 million payments of deferred finance fees related to the new credit facilities and sale and leaseback agreements; and (iii) \$3.1 million payments in total for cash distributions.

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

	Three Month Period Ended September 30, 2022 (\$ '000) (unaudited)	Three Month Period Ended September 30, 2021 (\$ '000) (unaudited)	Nine Month Period Ended September 30, 2022 (\$ '000) (unaudited)	Nine Month Period Ended September 30, 2021 (\$ '000) (unaudited)
Net cash provided by operating activities	\$ 219,108	\$ 70,904	\$ 366,271	\$ 148,153
Net increase in operating assets	14,948	32,241	103,465	62,341
Net (increase)/ decrease in operating liabilities	(62,898)	21,540	(10,918)	26,789
Net interest cost	22,197	14,446	49,921	26,765
Amortization and write-off of deferred finance costs and discount	(1,251)	(900)	(3,928)	(2,468)
Amortization of operating lease assets/ liabilities	(1,719)	126	(1,297)	187
Non-cash amortization of deferred revenue and straight-line	(12,676)	284	(36,128)	1,702
Stock-based compensation	(40)	(136)	(122)	(370)
Gain on sale of vessels	143,764	30,859	143,764	30,348
Bargain gain	—	3,962	—	48,015
Equity in net earnings of affiliated companies	—	—	—	80,839
Net loss attributable to noncontrolling interest	—	3,859	—	3,859
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 321,433</b>	<b>\$ 177,185</b>	<b>\$ 611,028</b>	<b>\$ 426,160</b>
Equity in net earnings of affiliated companies	—	—	—	(80,839)
Bargain gain	—	(3,962)	—	(48,015)
Transaction costs	—	2,870	—	2,870
Gain on sale of vessels	(143,764)	(30,859)	(143,764)	(30,348)
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 177,669</b>	<b>\$ 145,234</b>	<b>\$ 467,264</b>	<b>\$ 269,828</b>
Cash interest income	74	—	98	745
Cash interest paid	(22,983)	(22,812)	(48,447)	(35,087)
Maintenance and replacement capital expenditures	(59,970)	(17,729)	(178,056)	(52,427)
<b>Operating Surplus<sup>(2)</sup></b>	<b>\$ 94,790</b>	<b>\$ 104,693</b>	<b>\$ 240,859</b>	<b>\$ 183,059</b>

## **(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 (increase)/ decrease in operating liabilities; (iii) net interest cost; (iv) amortization and write-off of deferred finance costs and discount; (v) equity in net earnings of affiliated companies; (vi) non-cash amortization of deferred revenue and straight-line effect of the containerships charters with de-escalating rates; (vii) stock-based compensation; (viii) amortization of operating lease assets/ liabilities; (ix) gain/ (loss) on sale of assets; (x) bargain gain; and (xi) net loss attributable to noncontrolling interest. Navios Partners believes that EBITDA and Adjusted EBITDA are each the basis upon which liquidity can be assessed and presents useful information to investors regarding Navios Partners' ability to service and/or incur indebtedness, pay capital expenditures, meet working capital requirements and make cash distributions. Navios Partners also believes that EBITDA and Adjusted EBITDA are used: (i) by potential lenders to evaluate potential transactions; (ii) to evaluate and price potential acquisition candidates; and (iii) by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

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

EBITDA for the three month period ended September 30, 2022 and 2021 was affected by the items described in the table above. Excluding these items, Adjusted EBITDA increased by approximately \$32.5 million to \$177.7 million for the three month period ended September 30, 2022, as compared to \$145.2 million for the same period in 2021. The increase in Adjusted EBITDA was primarily due to a \$94.4 million increase in time charter and voyage revenues. The above increase was partially mitigated by a: (i) \$24.9 million increase in vessel operating expenses, mainly due to the increased fleet; (ii) \$23.9 million increase in time charter and voyage expenses, mainly due to the increase in bareboat and charter-in hire expense of the tanker and drybulk fleet; (iii) \$6.1 million increase in general and administrative expenses, mainly due to the increased fleet; (iv) \$3.9 million decrease in net loss attributable to noncontrolling interest; (v) \$1.9 million increase in other expenses, net; and (vi) \$1.2 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items).

EBITDA of Navios Partners for the nine month period ended September 30, 2022 and 2021 was affected by the items described in the table above. Excluding these items, Adjusted EBITDA increased by approximately \$197.5 million to \$467.3 million for the nine month period ended September 30, 2022, as compared to \$269.8 million for the same period in 2021. The increase in Adjusted EBITDA was primarily due to a \$394.7 million increase in time charter and voyage revenues. The above increase was partially mitigated by: (i) a \$107.4 million increase in vessel operating expenses, mainly due to the increased fleet; (ii) a \$54.5 million increase in time charter and voyage expenses, mainly due to the increase in bareboat and charter-in hire expense of the tanker and drybulk fleet; (iii) a \$19.0 million increase in general and administrative expenses, mainly due to the increased fleet; (iv) an \$11.9 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items); (v) a \$3.9 million decrease in net loss attributable to noncontrolling interest; and (vi) a \$0.5 million increase in other expenses, net.

## **(2) Operating Surplus**

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 and is a non-GAAP measure. Operating Surplus is not required by accounting principles generally accepted in the United States and should not be considered a substitute for net income, cash flow from operating activities and other operations or cash flow statement data prepared in accordance with accounting principles generally accepted in the United States or as a measure of profitability or liquidity.

## **Capital Expenditures**

Navios Partners finances its capital expenditures with cash flow from operations, equity raisings, long-term bank borrowings and other debt raisings. Capital expenditures for each of the nine month periods ended September 30, 2022 and 2021 amounted to \$490.8 million and \$262.2 million, respectively. The reserves for estimated maintenance and replacement capital expenditures for the three and nine month periods ended September 30, 2022 were \$60.0 million and \$178.1 million, respectively. The reserves for estimated maintenance and replacement capital expenditures for the three and nine month periods ended September 30, 2021 were \$17.7 million and \$52.4 million, respectively.

Maintenance for our vessels and expenses related to drydocking expenses are reimbursed at cost by Navios Partners to our Managers under the Management Agreements (as defined herein).

## **Maintenance and Replacement Capital Expenditures Reserve**

We estimate that our annual replacement reserve for the year ending December 31, 2022 will be approximately \$243.5 million, for replacing our vessels at the end of their useful lives.

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

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

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

### **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 14 – 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**

Borrowings under our credit facilities bear interest at a rate based on a premium over U.S. \$ LIBOR or SOFR. Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the nine month periods ended September 30, 2022 and 2021, we paid interest on our outstanding debt at a weighted average interest rate of 4.59% and 4.29%, respectively. An 1% increase in LIBOR or SOFR would have increased our interest expense for the nine month periods ended September 30, 2022 and 2021 by \$9.1 million and \$4.8 million, respectively.

#### **Concentration of Credit Risk**

Financial instruments, which potentially subject us to significant concentrations of credit risk, consist principally of trade accounts receivable. We closely monitor our exposure to customers for credit risk. We have policies in place to ensure that we trade with customers with an appropriate credit history.

For the nine month period ended September 30, 2022, Swissmarine represented approximately 10.5% of total revenues. For the nine month period ended September 30, 2021, Swissmarine represented approximately 14.8% of total revenues. No other customers accounted for 10% or more of total revenues for any of the periods presented.

If we lose a charter, we may be unable to re-deploy the related vessel on terms as favorable to us due to the long-term nature of most charters and the cyclical nature of the industry or we may be forced to charter the vessel on the spot market at then market rates which may be less favorable than the charter that has been terminated. If we are unable to re-deploy a vessel for which the charter has been terminated, we will not receive any revenues from that vessel, but we may be required to pay expenses necessary to maintain the vessel in proper operating condition. If we lose a vessel, any replacement or newbuilding would not generate revenues during its construction acquisition period, and we may be unable to charter any replacement vessel on terms as favorable to us as those of the terminated charter.

Even if we successfully charter our vessels in the future, our charterers may go bankrupt or fail to perform their obligations under the charter agreements, they may delay payments or suspend payments altogether, they may terminate the charter agreements prior to the agreed-upon expiration date or they may attempt to renegotiate the terms of the charters. The permanent loss of a customer, time charter or vessel, or a decline in payments under our charters, could have a material adverse effect on our business, results of operations and financial condition and our ability to make cash distributions in the event we are unable to replace such customer, time charter or vessel. For further details, please read “Risk Factors” in our 2021 Annual Report on Form 20-F.

#### **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. Other than as described below, 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 on Form 20-F for the year ended December 31, 2021 filed with the SEC on April 12, 2022 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.

## Table of Contents

### Exhibit List

Exhibit No.	
99.1	Facility Agreement dated September 30, 2022, by and among Melpomene Shipping Corporation and Urania Shipping Corporation, as borrowers, and KFW IPEX-Bank GMBH, as lender, mandated lead arranger, facility agent and security agent *
99.2	Form of Bareboat Charter and Memorandum of Agreement, dated October 27, 2022, for the sale and leaseback transaction between Xiang H131 International Ship Lease Co., Limited Xiang H129 International Ship Lease Co., Limited Xiang H130 International Ship Lease Co., Limited, Xiang H104 International Ship Lease Co., Limited, Xiang H119 International Ship Lease Co., Limited, Xiang H132 International Ship Lease Co., Limited, Jiahai International Ship Lease Co., Limited, Jialong International Ship Lease Co., Limited, Xiang L33 HK International Ship Lease Co., Limited, Xiang T51 HK International Ship Lease Co., Limited, Longshi International Ship Lease Co., Limited, Longli International Ship Lease Co., Limited, being subsidiaries Bank of Communications Financial Leasing Company Limited, and Velour Management Corp., Morven Chartering Inc., Isolde Shipping Inc., Rodman Maritime Corp., Silvanus Marine Company, Enplo Shipping Limited, Olympia II Navigation Limited, Pingel Navigation Limited, Ebba Navigation Limited, Clan Navigation Limited, Evian Shiptrade Ltd, Anthimar Marine Inc. being wholly owned subsidiaries of Navios Maritime Partners L.P., providing for the sale and leaseback of the Navios Vermilion, Matson Oahu, Navios Indigo, Navios Spring, Navios Summer, Navios Verde, Navios Domino, Navios Delight, Navios Destiny, Navios Devotion, Matson Lanai, Navios Amarillo, respectively.*
99.3	Unaudited condensed combined financial statements as at and for each of the six month periods ended June 30, 2022 and 2021 and audited combined financial statements as at and for each of the years ended December 31, 2021 and 2020 of the Dry Bulk Group of Companies (a fleet of Navios Maritime Holdings Inc.)*
99.4	Unaudited pro forma condensed combined financial statements as at and for the six month periods ended June 30, 2022 and unaudited pro forma condensed combined financial statements as at and for each of the years ending December 31, 2021 and 2020 of the Dry Bulk Group of Companies (a fleet of Navios Maritime Holdings Inc.)*
99.5	Consent of PricewaterhouseCoopers independent auditor for the Dry Bulk Group of Companies (a fleet of Navios Maritime Holdings Inc.)*

\* Filed herewith

[Table of Contents](#)

**INDEX**

	<u>Page</u>
<b>NAVIOS MARITIME PARTNERS L.P.</b>	
<a href="#">UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT SEPTEMBER 30, 2022 AND DECEMBER 31, 2021</a>	F-2
<a href="#">UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021</a>	F-3
<a href="#">UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021</a>	F-4
<a href="#">UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021</a>	F-6
<a href="#">NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</a>	F-7

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

	Notes	September 30, 2022 (unaudited)	December 31, 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 91,971	\$ 159,467
Restricted cash	4	18,349	9,979
Vessel held for sale	5, 8	13,965	—
Accounts receivable, net		50,109	23,774
Prepaid expenses and other current assets	16	65,497	33,120
<b>Total current assets</b>		<b>239,891</b>	<b>226,340</b>
Vessels, net	5	3,794,454	2,852,570
Deposits for vessels acquisitions	12	133,899	46,335
Other long-term assets	7, 12	48,002	48,168
Deferred dry dock and special survey costs, net		94,061	69,882
Amounts due from related parties	13	42,083	35,245
Intangible assets	6	86,332	100,422
Operating lease assets	15	335,809	244,337
<b>Total non-current assets</b>		<b>4,534,640</b>	<b>3,396,959</b>
<b>Total assets</b>		<b>\$ 4,774,531</b>	<b>\$ 3,623,299</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>			
<b>Current liabilities</b>			
Accounts payable		\$ 31,487	\$ 21,062
Accrued expenses		18,927	12,889
Liabilities associated with the vessel held for sale	7	10,708	—
Deferred revenue		30,672	23,921
Operating lease liabilities, current portion	15	40,816	18,292
Amounts due to related parties	13	115,820	64,204
Current portion of financial liabilities, net	7, 15	179,094	82,291
Current portion of long-term debt, net	7	170,341	172,846
<b>Total current liabilities</b>		<b>597,865</b>	<b>395,505</b>
Operating lease liabilities, net	15	280,445	225,512
Unfavorable lease terms	6	58,665	122,481
Long-term financial liabilities, net	7, 15	814,940	465,633
Long-term debt, net	7	752,214	640,939
Other long-term liabilities	12	44,189	3,504
<b>Total non-current liabilities</b>		<b>1,950,453</b>	<b>1,458,069</b>
<b>Total liabilities</b>		<b>\$ 2,548,318</b>	<b>\$ 1,853,574</b>
<b>Commitments and contingencies</b>	12	—	—
<b>Partners' capital:</b>			
Common Unitholders (30,184,388 and 30,197,087 units issued and outstanding at September 30, 2022 and December 31, 2021, respectively)	9	2,191,079	1,743,717
General Partner (622,296 and 622,555 units issued and outstanding at September 30, 2022 and December 31, 2021, respectively)	9	35,134	26,008
<b>Total partners' capital</b>		<b>2,226,213</b>	<b>1,769,725</b>
<b>Total liabilities and partners' capital</b>		<b>\$ 4,774,531</b>	<b>\$ 3,623,299</b>

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 September 30, 2022 (unaudited)	Three Month Period Ended September 30, 2021 (unaudited)	Nine Month Period Ended September 30, 2022 (unaudited)	Nine Month Period Ended September 30, 2021 (unaudited)
Time charter and voyage revenues	2,10, 15	\$ 322,387	\$ 227,957	\$ 839,665	\$ 445,029
Time charter and voyage expenses	15	(35,439)	(11,465)	(74,300)	(19,829)
Direct vessel expenses	13	(15,398)	(10,864)	(39,511)	(18,007)
Vessel operating expenses (entirely through related parties transactions)	13	(78,928)	(53,952)	(226,089)	(118,685)
General and administrative expenses	13	(15,597)	(9,491)	(43,683)	(24,717)
Depreciation and amortization of intangible assets	5,6	(59,270)	(32,102)	(143,820)	(67,309)
Amortization of unfavorable lease terms	6	24,779	35,576	64,205	77,602
Gain on sale of vessels, net	5	143,764	30,859	143,764	30,348
Interest expense and finance cost, net		(22,270)	(14,446)	(50,019)	(27,624)
Interest income		74	—	98	859
Other expense, net		(6,938)	(4,969)	(9,321)	(8,864)
Equity in net earnings of affiliated companies	3	—	—	—	80,839
Transaction costs		—	(2,870)	—	(2,870)
Bargain gain	3	—	3,962	—	48,015
<b>Net income</b>		<b>\$ 257,164</b>	<b>\$ 158,195</b>	<b>\$ 460,989</b>	<b>\$ 394,787</b>
Net loss attributable to the noncontrolling interest		—	3,859	—	3,859
<b>Net income attributable to Navios Partners' unitholders</b>		<b>\$ 257,164</b>	<b>\$ 162,054</b>	<b>\$ 460,989</b>	<b>\$ 398,646</b>

	Three Month Period Ended September 30, 2022 (unaudited)	Three Month Period Ended September 30, 2021 (unaudited)	Nine Month Period Ended September 30, 2022 (unaudited)	Nine Month Period Ended September 30, 2021 (unaudited)
Net income attributable to Navios Partners' unitholders	\$ 252,021	\$ 158,813	\$ 451,770	\$ 390,673
Common Unitholders	5,143	3,241	9,219	7,973
General Partner	—	—	—	—
<b>Net income attributable to Navios Partners' unitholders</b>	<b>\$ 257,164</b>	<b>\$ 162,054</b>	<b>\$ 460,989</b>	<b>\$ 398,646</b>

**Earnings attributable to Navios Partners' unitholders per unit (see note 14):**

	Three Month Period Ended September 30, 2022 (unaudited)	Three Month Period Ended September 30, 2021 (unaudited)	Nine Month Period Ended September 30, 2022 (unaudited)	Nine Month Period Ended September 30, 2021 (unaudited)
Earnings attributable to Navios Partners' unitholders per unit:				
Earnings attributable to Navios Partners' unitholders per common unit, basic	\$ 8.36	\$ 5.97	\$ 14.98	\$ 19.27
Earnings attributable to Navios Partners' unitholders per common unit, diluted	\$ 8.35	\$ 5.95	\$ 14.97	\$ 19.19

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	Nine Month Period Ended September 30, 2022 (unaudited)	Nine Month Period Ended September 30, 2021 (unaudited)
<b>OPERATING ACTIVITIES:</b>			
Net income		\$ 460,989	\$ 394,787
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation and amortization of intangible assets	5,6	143,820	67,309
Amortization of unfavorable lease terms	6	(64,205)	(77,602)
Non-cash amortization of deferred revenue and straight-line		36,128	(1,702)
Amortization of operating lease assets/ liabilities	15	1,297	(187)
Amortization and write-off of deferred finance costs and discount		3,928	2,468
Amortization of deferred dry dock and special survey costs		20,503	11,042
Gain on sale of vessels, net	5	(143,764)	(30,348)
Bargain gain	3	—	(48,015)
Equity in net earnings of affiliated companies	3	—	(80,839)
Stock-based compensation	9	122	370
<b>Changes in operating assets and liabilities:</b>			
Increase in accounts receivable		(21,638)	(5,051)
Increase in prepaid expenses and other current assets		(26,152)	(6,654)
Increase in amounts due from related parties	13	(6,838)	(18,175)
Increase in accounts payable		7,775	3,023
Increase/ (decrease) in accrued expenses		1,159	(5,644)
Increase in deferred revenue		4,345	13,324
Decrease in amounts due to related parties	13	(2,361)	(37,492)
Payments for dry dock and special survey costs		(48,837)	(32,461)
<b>Net cash provided by operating activities</b>		<b>366,271</b>	<b>148,153</b>
<b>INVESTING ACTIVITIES:</b>			
Net cash proceeds from sale of vessels	5	215,250	107,615
Deposits for acquisition/ option to acquire vessel		(95,472)	(48,464)
Cash acquired from asset acquisitions/ business acquisitions	2, 3	9,862	42,676
Acquisition of/ additions to vessels, net of cash acquired	2, 5	(395,350)	(213,751)
Repayments of notes receivable		—	8,872
<b>Net cash used in investing activities</b>		<b>(265,710)</b>	<b>(103,052)</b>
<b>FINANCING ACTIVITIES:</b>			
Cash distributions paid	14	(4,623)	(3,074)
Net proceeds from issuance of general partner units	9	—	8,067
Net proceeds from issuance of common units	9	—	198,495
Repayment of long-term debt and financial liabilities	7	(497,573)	(789,436)
Payments of deferred finance costs		(2,726)	(11,267)
Proceeds from long-term debt and financial liabilities	7,9	345,235	662,566
<b>Net cash (used in)/ provided by financing activities</b>		<b>(159,687)</b>	<b>65,351</b>
<b>(Decrease)/ Increase in cash, cash equivalents and restricted cash</b>		<b>(59,126)</b>	<b>110,452</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>		<b>169,446</b>	<b>30,728</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>		<b>\$ 110,320</b>	<b>\$ 141,180</b>

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)

	<b>Nine Month Period Ended September 30, 2022 (unaudited)</b>	<b>Nine Month Period Ended September 30, 2021 (unaudited)</b>
<b>Supplemental disclosures of cash flow information</b>		
Cash interest paid	\$ 48,447	\$ 35,087
<b>Non-cash financing activities</b>		
Stock-based compensation	\$ 122	\$ 370
Long-term debt and financial liabilities assumed	\$ 609,037	\$ —
Long-term financial liabilities	\$ 107,685	\$ —
<b>Non-cash investing activities</b>		
Deposits for acquisition/ option to acquire vessel (see Note 12)	\$ (3,430)	\$ —
Acquisition of vessels	\$ (729,389)	\$ (5,766)

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	
<b>Balance, December 31, 2021</b>	<u>622,555</u>	<u>\$26,008</u>	<u>30,197,087</u>	<u>\$1,743,717</u>	<u>\$1,769,725</u>
Cash distribution paid (\$0.05 per unit—see Note 14)	—	(31)	—	(1,510)	(1,541)
Stock-based compensation (see Note 9)	—	—	—	42	42
Net income	—	1,713	—	83,952	85,665
<b>Balance, March 31, 2022</b>	<u>622,555</u>	<u>\$27,690</u>	<u>30,197,087</u>	<u>\$1,826,201</u>	<u>\$1,853,891</u>
Cash distribution paid (\$0.05 per unit—see Note 14)	—	(31)	—	(1,510)	(1,541)
Stock-based compensation (see Note 9)	—	—	—	40	40
Net income	—	2,363	—	115,797	118,160
<b>Balance June 30, 2022</b>	<u>622,555</u>	<u>\$30,022</u>	<u>30,197,087</u>	<u>\$1,940,528</u>	<u>\$1,970,550</u>
Cash distribution paid (\$0.05 per unit—see Note 14)	—	(31)	—	(1,510)	(1,541)
Units cancelled/ forfeited (see Note 9)	(259)	—	(12,699)	—	—
Stock-based compensation (see Note 9)	—	—	—	40	40
Net income	—	5,143	—	252,021	257,164
<b>Balance September 30, 2022</b>	<u>622,296</u>	<u>\$35,134</u>	<u>30,184,388</u>	<u>\$2,191,079</u>	<u>\$2,226,213</u>

	Limited Partners				Noncontrolling Interest	Total Partners' Capital
	General Partner		Common Unitholders			
	Units	Amount	Units	Amount		
<b>Balance, December 31, 2020</b>	<u>237,822</u>	<u>\$ 2,817</u>	<u>11,345,187</u>	<u>\$ 652,013</u>	—	<u>\$ 654,830</u>
Cash distribution paid (\$0.05 per unit—see Note 14)	—	(12)	—	(567)	—	(579)
Proceeds from public offering and issuance of units, net of offering costs (see Note 9)	8,142	203	398,934	9,705	—	9,908
Units issued for the acquisition of Navios Containers, net of expenses (see Note 9)	165,989	3,911	8,133,452	191,624	—	195,535
Stock-based compensation (see Note 9)	—	—	—	118	—	118
Net income	—	2,733	—	133,946	—	136,679
<b>Balance, March 31, 2021</b>	<u>411,953</u>	<u>\$ 9,652</u>	<u>19,877,573</u>	<u>\$ 986,839</u>	—	<u>\$ 996,491</u>
Cash distribution paid (\$0.05 per unit—see Note 14)	—	(22)	—	(1,105)	—	(1,127)
Proceeds from public offering and issuance of units, net of offering costs (see Note 9)	120,042	3,417	5,882,061	163,233	—	166,650
Stock-based compensation (see Note 9)	—	—	—	116	—	116
Net income	—	1,999	—	97,914	—	99,913
<b>Balance June 30, 2021</b>	<u>531,995</u>	<u>\$15,046</u>	<u>25,759,634</u>	<u>\$1,246,997</u>	—	<u>\$1,262,043</u>
Cash distribution paid (\$0.05 per unit—see Note 14)	—	(28)	—	(1,340)	—	(1,368)
Proceeds from public offering and issuance of units, net of offering costs (see Note 9)	21,413	536	1,049,227	25,557	—	26,093
Deemed contribution (see Note 3)	—	3,000	—	147,000	—	150,000
Stock-based compensation (see Note 9)	—	—	—	136	—	136
Net income/ (loss)	—	3,241	—	158,813	(3,859)	158,195
Fair value of noncontrolling interest (see Note 3)	—	—	—	—	57,635	57,635
<b>Balance September 30, 2021</b>	<u>553,408</u>	<u>\$21,795</u>	<u>26,808,861</u>	<u>\$1,577,163</u>	<u>53,776</u>	<u>\$1,652,734</u>

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. The Company’s general partner is Olympos Maritime Ltd. (the “General Partner”) (see Note 13 – Transactions with related parties and affiliates).

Navios Partners is engaged in the seaborne transportation services of a wide range of liquid and dry cargo commodities including crude oil, refined petroleum, chemicals, iron ore, coal, grain, fertilizer and also containers, chartering its vessels under short, medium and longer-term charters. The operations of Navios Partners are managed by Navios Shipmanagement Inc., (the “Manager”) and Navios Tankers Management Inc. (“Tankers Manager” and together with the Manager, the “Managers”) which are entities affiliated with the Company’s Chairwoman and Chief Executive Officer (see Note 13 – Transactions with related parties and affiliates).

As of September 30, 2022, there were 30,184,388 outstanding common units and 622,296 general partnership units. As of September 30, 2022, Navios Maritime Holdings Inc. (“Navios Holdings”) owned an approximately 10.3% ownership interest in Navios Partners and the General Partner held an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partner units.

**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, 2021 filed on Form 20-F on April 12, 2022 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 (see Note 5 – Vessels, net and Note 17 – 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 twelve 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. Notwithstanding the foregoing, it is possible that these tensions might eventually have an adverse impact on our business, financial condition, results of operations and cash flows.

**(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 Marshall Islands, Liberia, Malta, Delaware, Cayman Islands, Hong Kong, British Virgin Islands, Luxembourg and Belgium from their dates of incorporation or from the date of acquiring control or, for chartered-in vessels, from the dates charter-in agreements were in effect. All significant inter-company balances and transactions have been eliminated in Navios Partners’ consolidated financial statements.

Navios Partners also consolidates entities that are determined to be variable interest entities (“VIE”) as defined in the accounting guidance, if it determines that it is the primary beneficiary. A VIE is defined as a legal entity where either (i) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity’s residual risks and rewards, (ii) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (iii) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity’s activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

**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 to the Company’s Consolidated Financial Statements included in the Annual Report on Form 20-F on April 12, 2022 with the SEC for the year ended December 31, 2021. There have been no material changes to these policies in the nine months ended September 30, 2022, except for as discussed below:

**(c) Asset Acquisitions:** When the Company enters into an acquisition transaction, it determines whether the acquisition transaction is a purchase of an asset or a business based on the facts and circumstances of the transaction. In accordance with Topic 805, Business Combinations, the Company first evaluates whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets (Step 1). If that threshold is met, the set of assets and activities is not a business. If the threshold is not met, the Company evaluates whether the set meets the definition of a business (Step 2). To be considered a business, a set must include an input and a substantive process that together significantly contributes to the ability to create an output. All assets acquired and liabilities assumed in a business combination are measured at their acquisition date fair values. For asset acquisitions, the net assets acquired should be measured following a cost accumulation and allocation model under which the cost of the acquisition is allocated on a relative fair value basis to the qualifying assets acquired. Transaction costs associated with asset acquisitions are capitalized.

On July 26, 2022, the Company entered into a share purchase agreement to acquire a 36-vessel drybulk fleet for a purchase price of \$835,000 including the assumption of bank liabilities, bareboat obligations and finance leasing obligations, subject to debt and working capital adjustments, from Navios Holdings. The fleet consists of: (i) 30 vessels (including eight vessels under sale and leaseback and ten vessels under finance leases), (ii) five operating leases (all with purchase options) and (iii) one vessel that has been classified as held for sale. On July 29, 2022, 15 of the 36 vessels were delivered to Navios Partners. On September 8, 2022, the remaining 21 vessels were delivered to Navios Partners.

**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 Company performed an assessment, as defined under ASC 805, Business Combinations, and concluded that the acquisition of the 36-vessel drybulk fleet is an asset acquisition. The consideration paid amounted to \$370,638 and is presented under the caption “Acquisition of/ additions to vessels, net of cash acquired” in the condensed Consolidated Statements of Cash Flows including working capital balances of \$(37,016) in accordance with the share purchase agreement of which an amount of \$9,862 related to cash and cash equivalents and restricted cash and is presented under the caption “Cash acquired from asset acquisitions/ business acquisitions” in the condensed Consolidated Statements of Cash Flows. The amount of net assets acquired compared to the cost of consideration resulted in an excess value of \$217,161 that was allocated to qualifying assets on a relative fair value basis. The qualifying assets were the vessels held and used, leases (finance and operating lease assets) and intangible assets.

Vessels held and used acquired as part of an asset acquisition are recorded at fair value, which is determined based on vessel valuations, obtained from independent third party shipbrokers which are, among other things, based on recent sales and purchase transactions of similar vessels.

When a vessel along with the current charter contract is acquired where the company acts as a lessor as part of asset acquisition, intangible assets and intangible liabilities are recorded at fair value. Navios Partners recorded favorable and unfavorable lease terms (intangible assets and liabilities) amounting to \$15,790 and \$389, respectively (see Note 6 – Intangible assets and liabilities). The fair value of the favorable and unfavorable lease terms (intangible assets and liabilities) was determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to the current market charter rates for a similar contract and (ii) discounted using the Company’s relevant discount factor of 11.32%.

For acquired leases as part of an asset acquisition, where the Company is a lessee, the Company has elected to reassess classification. The Company recognizes the right-of-use assets for operating and finance leases acquired at the same amount as the lease liability, adjusted to reflect favorable and unfavorable terms of the lease when compared with market terms.

**(d) Operating leases:** In cases of operating lease agreements where an entity acts as the lessee that meet the definition of ASC 842 for a short-term lease, a lease that has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise, it can make the short-term lease election at the commencement date. A lessee that makes the short-term lease election does not recognize a lease liability or right-of-use asset on its balance sheet. Instead, the lessee recognizes lease payments on a straight-line basis over the lease term.

Following the acquisition of the 36-vessel drybulk fleet from Navios Holdings, Navios Partners upon reassessing the classification of the leases in accordance with the criteria in ASC 842, concluded that for a Capesize vessel, with a remaining lease term of less than one year charter-in agreement, the criteria of the definition of short-term lease were met. Consequently, the Company has not recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability (if any). The lease payments of the vessel are included under the caption “Time charter and voyage expenses” in the condensed Consolidated Statements of Operations (see Note 15 – Leases)

**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 accompanying interim condensed consolidated financial statements include the following entities:

Company name	Vessel name	Country of incorporation	2022	2021
Libra Shipping Enterprises Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Alegria Shipping Corporation <sup>(35)</sup>	Navios Alegria	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Felicity Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Gemini Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Galaxy Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Aurora Shipping Enterprises Ltd.	Navios Hope	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Palermo Shipping S.A.	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Fantastiks Shipping Corporation <sup>(12)</sup>	Navios Fantastiks	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Sagittarius Shipping Corporation	Navios Sagittarius	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Hyperion Enterprises Inc.	Navios Hyperion	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Chilali Corp.	Navios Aurora II	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Surf Maritime Co. <sup>(12)</sup>	Navios Pollux	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Pandora Marine Inc.	Navios Melodia	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Customized Development S.A.	Navios Fulvia	Liberia	1/01 – 9/30	1/01 – 9/30
Kohylia Shipmanagement S.A.	Navios Luz	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Orbiter Shipping Corp.	Navios Orbiter	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Floral Marine Ltd.	Navios Buena Ventura	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Golem Navigation Limited <sup>(13)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Kymata Shipping Co.	Navios Helios	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Joy Shipping Corporation	Navios Joy	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Micaela Shipping Corporation	Navios Harmony	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Pearl Shipping Corporation	Navios Sun	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Velvet Shipping Corporation	Navios La Paix	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Perigiali Navigation Limited <sup>(12)</sup>	Navios Beaufiks	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Finian Navigation Co. <sup>(12)</sup>	Navios Ace	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Ammos Shipping Corp.	Navios Prosperity I	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Wave Shipping Corp.	Navios Libertas	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Casual Shipholding Co. <sup>(12)</sup>	Navios Sol	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Avery Shipping Company	Navios Symphony	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Coasters Ventures Ltd.	Navios Christine B	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Ianthe Maritime S.A.	Navios Aster	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Rubina Shipping Corporation	Hyundai Hongkong	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Topaz Shipping Corporation	Hyundai Singapore	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Beryl Shipping Corporation	Hyundai Tokyo	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Cheryl Shipping Corporation	Hyundai Shanghai	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Christal Shipping Corporation	Hyundai Busan	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Fairy Shipping Corporation <sup>(5)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Limestone Shipping Corporation <sup>(28)</sup>	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Dune Shipping Corp.	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Citrine Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Cavalli Navigation Inc.	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Seymour Trading Limited <sup>(2)</sup>	Navios Altair I	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Goldie Services Company <sup>(34)</sup>	Navios Symmetry	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Andromeda Shiptrade Limited	Navios Apollon I	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Esmeralda Shipping Corporation	Navios Sphera	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Triangle Shipping Corporation	Navios Mars	Marshall Is.	1/01 – 9/30	1/01 – 9/30



**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)

Oceanus Shipping Corporation <sup>(19)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Cronus Shipping Corporation	Protostar N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Leto Shipping Corporation <sup>(17)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Dionysus Shipping Corporation <sup>(4)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Prometheus Shipping Corporation <sup>(18)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Camelia Shipping Inc. <sup>(31)</sup>	Navios Camelia	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Anthos Shipping Inc.	Navios Anthos	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Azalea Shipping Inc. <sup>(1)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Amaryllis Shipping Inc.	Navios Amaryllis	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Zaffre Shipping Corporation <sup>(14)</sup>	Serenitas N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Wenge Shipping Corporation <sup>(14),(20)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Sunstone Shipping Corporation <sup>(14)</sup>	Copernicus N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Fandango Shipping Corporation <sup>(14)</sup>	Unity N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Flavescent Shipping Corporation <sup>(14)</sup>	Odysseus N	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Emery Shipping Corporation <sup>(15)</sup>	Navios Gem	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Rondine Management Corp. <sup>(15)</sup>	Navios Victory	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Prosperity Shipping Corporation	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Aldebaran Shipping Corporation	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
JTC Shipping and Trading Ltd. <sup>(11)</sup>	Holding Company	Malta	1/01 – 9/30	1/01 – 9/30
Navios Maritime Partners L.P.	N/A	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Navios Maritime Operating LLC.	N/A	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Navios Partners Finance (US) Inc.	Co-Borrower	Delaware	1/01 – 9/30	1/01 – 9/30
Navios Partners Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Solange Shipping Ltd. <sup>(16)</sup>	Navios Avior	Marshall Is.	1/01 – 9/30	3/30 – 9/30
Mandora Shipping Ltd. <sup>(16)</sup>	Navios Centaurus	Marshall Is.	1/01 – 9/30	3/30 – 9/30
Olympia II Navigation Limited	Navios Domino	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Pingel Navigation Limited	Navios Delight	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Ebba Navigation Limited	Navios Destiny	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Clan Navigation Limited	Navios Devotion	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Sui An Navigation Limited <sup>(23)</sup>	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Bertyl Ventures Co.	Navios Azure	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Silvanus Marine Company	Navios Summer	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Anthimar Marine Inc.	Navios Amarillo	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Enplo Shipping Limited	Navios Verde	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Morven Chartering Inc.	Navios Verano (ex. Matson Oahu)	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Rodman Maritime Corp.	Navios Spring	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Isolde Shipping Inc.	Navios Indigo	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Velour Management Corp.	Navios Vermilion	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Evian Shiptrade Ltd.	Matson Lanai	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Theros Ventures Limited	Navios Lapis	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Legato Shipholding Inc.	Navios Tempo	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Inastros Maritime Corp.	Navios Chrysalis	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Zoner Shiptrade S.A.	Navios Dorado	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Jasmer Shipholding Ltd.	Navios Nerine	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Thetida Marine Co.	Navios Magnolia	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Jaspero Shiptrade S.A.	Navios Jasmine	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Peran Maritime Inc.	Zim Baltimore	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Nefeli Navigation S.A.	Navios Unison	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Crayon Shipping Ltd	Navios Miami	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Chernava Marine Corp.	Bahamas	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Proteus Shiptrade S.A	Zim Carmel	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Vythos Marine Corp.	Navios Constellation	Marshall Is.	1/01 – 9/30	3/31 – 9/30

**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 Maritime Containers Sub L.P.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Navios Partners Containers Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Boheme Navigation Company	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Navios Partners Containers Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Iliada Shipping S.A.	Operating Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Vinetree Marine Company	Operating Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Afros Maritime Inc.	Operating Company	Marshall Is.	1/01 – 9/30	3/31 – 9/30
Cavos Navigation Co. <sup>(9)</sup>	Navios Libra	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Perivoia Shipmanagement Co. <sup>(10)</sup>	Navios Amitie	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Pleione Management Limited <sup>(10)</sup>	Navios Star	Marshall Is.	1/01 – 9/30	1/01 – 9/30
Bato Marine Corp. <sup>(32)</sup>	Navios Armonia	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Agron Navigation Company <sup>(21)</sup>	Navios Azalea	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Teuta Maritime S.A. <sup>(22)</sup>	TBN IV	Marshall Is.	1/01 – 9/30	3/05 – 6/30
Ambracia Navigation Company <sup>(29)</sup>	Navios Primavera	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Artala Shipping Co. <sup>(22)</sup>	TBN II	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Migen Shipmanagement Ltd.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	3/05 – 9/30
Bole Shipping Corporation <sup>(24)</sup>	Spectrum N	Marshall Is.	1/01 – 9/30	4/28 – 9/30
Brandeis Shipping Corporation <sup>(24)</sup>	Ete N	Marshall Is.	1/01 – 9/30	5/10 – 9/30
Buff Shipping Corporation <sup>(24)</sup>	Fleur N	Marshall Is.	1/01 – 9/30	5/10 – 9/30
Morganite Shipping Corporation <sup>(25)</sup>	TBN III	Marshall Is.	1/01 – 9/30	6/01 – 9/30
Balder Maritime Ltd. <sup>(26)</sup>	Navios Koyo	Marshall Is.	1/01 – 9/30	6/04 – 9/30
Melpomene Shipping Corporation <sup>(25)</sup>	TBN V	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Urania Shipping Corporation <sup>(25)</sup>	TBN VI	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Terpsichore Shipping Corporation <sup>(8)</sup>	TBN VII	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Erato Shipping Corporation <sup>(8)</sup>	TBN VIII	Marshall Is.	1/01 – 9/30	6/23 – 9/30
Lavender Shipping Corporation <sup>(12)(7)</sup>	Navios Ray	Marshall Is.	1/01 – 9/30	6/30 – 9/30
Nostos Shipmanagement Corp. <sup>(12)(7)</sup>	Navios Bonavis	Marshall Is.	1/01 – 9/30	6/30 – 9/30
Navios Maritime Acquisition Corporation	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Acquisition Europe Finance Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Acquisition Finance (US) Inc.	Co-Issuer of Ship Mortgage Notes	Delaware	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Partners GP LLC	Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Letil Navigation Ltd.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Partners Finance (US) Inc.	Sub-Holding Company	Delaware	1/01 – 9/30	8/25 – 9/30
Aegean Sea Maritime Holdings Inc.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Amorgos Shipping Corporation <sup>(38)</sup>	Nave Cosmos	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Andros Shipping Corporation <sup>(38)</sup>	Nave Polaris	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antikithira Shipping Corporation	Nave Equator	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antiparos Shipping Corporation	Nave Atria	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antipaxos Shipping Corporation <sup>(39)</sup>	Nave Dorado	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Antipsara Shipping Corporation	Nave Velocity	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Crete Shipping Corporation	Nave Cetus	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Delos Shipping Corporation	Nave Photon	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Folegandros Shipping Corporation	Nave Andromeda	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Ikaria Shipping Corporation	Nave Aquila	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Ios Shipping Corporation		Cayman Islands	1/01 – 9/30	8/25 – 9/30
Iraklia Shipping Corporation	Nave Cielo	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kimolos Shipping Corporation	Bougainville	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kithira Shipping Corporation	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kos Shipping Corporation	Nave Orbit	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Lefkada Shipping Corporation	Nave Bellatrix	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Leros Shipping Corporation	Nave Buena Suerte	Marshall Is.	1/01 – 9/30	8/25 – 9/30
	Former Vessel-Ownning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30

**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)

Mytilene Shipping Corporation	Nave Orion	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Oinousses Shipping Corporation	Nave Jupiter	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Psara Shipping Corporation	Nave Luminosity	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Rhodes Shipping Corporation	Nave Cassiopeia	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Samos Shipping Corporation	Nave Synergy	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Samothrace Shipping Corporation	Nave Pulsar	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Serifos Shipping Corporation	Nave Estella	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Sifnos Shipping Corporation	Nave Titan	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Skiathos Shipping Corporation	Nave Capella	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Skopelos Shipping Corporation	Nave Ariadne	Cayman Islands	1/01 – 9/30	8/25 – 9/30
Skyros Shipping Corporation	Nave Sextans	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Syros Shipping Corporation	Nave Alderamin	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Thera Shipping Corporation	Nave Atropos	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Tilos Shipping Corporation	Nave Spherical	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Tinos Shipping Corporation	Nave Rigel	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Zakynthos Shipping Corporation	Nave Quasar	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Cyrus Investments Corp.	Baghdad	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Olivia Enterprises Corp.	Erbil	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Limnos Shipping Corporation	Nave Pyxis	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Thasos Shipping Corporation	Nave Equinox	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Agistri Shipping Limited	Operating Subsidiary	Malta	1/01 – 9/30	8/25 – 9/30
Paxos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Donoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Schinoussa Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Alonnisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Makronisos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Shinyo Loyalty Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Navigator Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Amindra Navigation Co.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Partners L.P.	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Navios Maritime Midstream Operating LLC	Sub-Holding Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Shinyo Dream Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Kannika Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Kieran Limited		British Virgin Islands		
	Nave Universe	Islands	1/01 – 9/30	8/25 – 9/30
Shinyo Ocean Limited	Former Vessel-Owning Company	Hong Kong	1/01 – 9/30	8/25 – 9/30
Shinyo Saowalak Limited		British Virgin Islands		
	Nave Constellation	Islands	1/01 – 9/30	8/25 – 9/30
Sikinos Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kerkyra Shipping Corporation	Nave Galactic	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Doxa International Corp.	Nave Electron	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Alkmene Shipping Corporation <sup>(38)</sup>	Star N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Aphrodite Shipping Corporation	Aurora N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Dione Shipping Corporation	Lumen N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Persephone Shipping Corporation	Hector N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Rhea Shipping Corporation <sup>(36)</sup>	Perseus N	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Tzia Shipping Corporation <sup>(30)</sup>	Nave Celeste	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Boysenberry Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Cadmium Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Celadon Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Cerulean Shipping Corporation	Former Vessel-Owning Company	Marshall Is.	1/01 – 9/30	8/25 – 9/30
Kleio Shipping Corporation <sup>(6)</sup>	TBN IX	Marshall Is.	1/01 – 9/30	8/12 – 9/30
Polymnia Shipping Corporation <sup>(6)</sup>	TBN X	Marshall Is.	1/01 – 9/30	8/12 – 9/30

**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)

Goddess Shiptrade Inc.	Navios Astra	Marshall Is.	1/01 – 9/30	8/02 – 9/30
Navios Acquisition Merger Sub. Inc.	Merger SPV	Marshall Is.	1/01 – 9/30	8/23 – 9/30
Aramis Navigation Inc. <sup>(3)</sup>	Navios Azimuth	Marshall Is.	1/01 – 9/30	7/09 – 9/30
Thalia Shipping Corporation <sup>(6)</sup>	TBN XIII	Marshall Is.	1/01 – 9/30	—
Muses Shipping Corporation <sup>(6)</sup>	TBN XIV	Marshall Is.	1/01 – 9/30	—
Euterpe Shipping Corporation <sup>(8)</sup>	TBN XII	Marshall Is.	1/01 – 9/30	—
Calliope Shipping Corporation <sup>(25)</sup>	TBN XI	Marshall Is.	1/01 – 9/30	—
Karpathos Shipping Corporation <sup>(6)</sup>	TBN XIX	Marshall Is.	6/22 – 9/30	—
Patmos Shipping Corporation <sup>(27)</sup>	TBN XX	Marshall Is.	6/22 – 9/30	—
Tarak Shipping Corporation <sup>(8)</sup>	TBN XV	Marshall Is.	4/26 – 9/30	—
Astrovalos Shipping Corporation <sup>(6)</sup>	TBN XVI	Marshall Is.	4/26 – 9/30	—
Ithaki Shipping Corporation <sup>(6)</sup>	TBN XVII	Marshall Is.	4/26 – 9/30	—
Gavdos Shipping Corporation <sup>(27)</sup>	TBN XVIII	Marshall Is.	4/26 – 9/30	—
Galera Management Company <sup>(22)</sup>	TBN I	Marshall Is.	6/24 – 9/30	—
Vatselo Enterprises Corp. <sup>(21)</sup>	TBN XXIII	Marshall Is.	6/24 – 9/30	—
Thalassa Marine S.A.	Navios Galaxy II	Marshall Is.	7/29 – 9/30	—
Anafi Shipping Corporation <sup>(12)</sup>	Navios Sky	Marshall Is.	9/08 – 9/30	—
Asteroid Shipping S.A.	Navios Herakles I	Marshall Is.	7/29 – 9/30	—
Bulkinvest S.A.	Operating Company	Luxembourg	9/08 – 9/30	—
Cloud Atlas Marine S.A.	Navios Uranus	Marshall Is.	7/29 – 9/30	—
Corsair Shipping Ltd. <sup>(33)</sup>	Navios Ulysses	Marshall Is.	9/08 – 9/30	—
Ducale Marine Inc.	Navios Etoile	Marshall Is.	9/08 – 9/30	—
Faith Marine Ltd <sup>(12)</sup>	Navios Altamira	Marshall Is.	9/08 – 9/30	—
Kleimar N.V. <sup>(37)</sup>	Operating Company/Vessel Owning Company/ Management Company	Belgium	9/08 – 9/30	—
Iris Shipping Corporation	N Amathia	Marshall Is.	9/08 – 9/30	—
Moonstone Shipping Corporation	Jupiter N	Marshall Is.	9/08 – 9/30	—
NAV Holdings Limited	Sub-Holding Company	Malta	9/08 – 9/30	—
Navios International Inc.	Operating Company	Marshall Is.	7/29 – 9/30	—
Veja Navigation Company	Sub-Holding Company	Marshall Is.	9/08 – 9/30	—
Vernazza Shiptrade Inc. <sup>(12)</sup>	Navios Canary	Marshall Is.	9/08 – 9/30	—
White Narcissus Marine S.A. <sup>(12) (37)</sup>	Navios Asteriks	Marshall Is.	9/08 – 9/30	—
Talia Shiptrade S.A.	Navios Magellan II	Marshall Is.	7/29 – 9/30	—
Shikhar Ventures S.A. <sup>(12)</sup>	Navios Stellar	Liberia	9/08 – 9/30	—
Opal Shipping Corporation	Rainbow N	Marshall Is.	9/08 – 9/30	—
Pharos Navigation S.A. <sup>(12)</sup>	Navios Phoenix	Marshall Is.	9/08 – 9/30	—
Pueblo Holdings Ltd. <sup>(12)</sup>	Navios Lumen	Marshall Is.	9/08 – 9/30	—
Red Rose Shipping Corp.	Navios Bonheur	Marshall Is.	9/08 – 9/30	—
Rider Shipmanagement Inc.	Navios Felicity I	Marshall Is.	7/29 – 9/30	—
Roselite Shipping Corporation <sup>(12)</sup>	Navios Corali	Marshall Is.	9/08 – 9/30	—
Rumer Holding Ltd.	Navios Antares	Marshall Is.	9/08 – 9/30	—
Jasmine Shipping Corporation	N Bonanza	Marshall Is.	9/08 – 9/30	—
Highbird Management Inc.	Navios Celestial	Marshall Is.	9/08 – 9/30	—

(1) The vessel was sold on August 13, 2021.

(2) The vessel was sold on October 29, 2021.

**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)

- (3) The vessel was acquired on July 9, 2021.
- (4) The vessel was sold on August 16, 2021.
- (5) The vessel was sold on September 12, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (6) Expected to be delivered by the second half of 2024.
- (7) The vessel was acquired on June 30, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (8) Expected to be delivered by the first half of 2024.
- (9) The vessel was delivered on July 24, 2019 (see Note 15 – Leases to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (10) The vessels were delivered on May 28, 2021 and June 10, 2021 (see Note 15 – Leases to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (11) Not a vessel-owning subsidiary and only holds right to charter-in contracts.
- (12) Vessels under the sale and leaseback transaction.
- (13) The vessel was sold on December 10, 2020.
- (14) The vessels were acquired on June 29, 2020, following the liquidation of Navios Europe II.
- (15) The vessels were acquired on September 30, 2020.
- (16) The vessels were acquired on March 30, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (17) The vessel was sold on January 13, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (18) The vessel was sold on January 28, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (19) The vessel was sold on February 10, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (20) The vessel was sold on March 25, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (21) Expected to be delivered by the second half of 2022.
- (22) Expected to be delivered in the first half of 2023.
- (23) The vessel was sold on July 31, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (24) The vessels were acquired on May 10, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (25) Expected to be delivered by the second half of 2023.
- (26) The vessel was acquired on June 4, 2021 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (27) Expected to be delivered by the first half of 2025.
- (28) The vessel was sold on September 21, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (29) The vessel was acquired on July 27, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (30) The vessel was delivered on July 5, 2022 (see Note 15 – Leases to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (31) The vessel was sold on November 17, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (32) The vessel was acquired on September 21, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (33) The vessel was sold on October 14, 2022 (see Note 5 – Vessels, net to the unaudited condensed consolidated financial statements included elsewhere in this Report).
- (34) The vessel was sold on October 25, 2022 (see Note 17 – Subsequent events).
- (35) The vessel was sold on November 14, 2022 (see Note 17 – Subsequent events).
- (36) The vessels agreed to be sold in November 2022. The sale is expected to be completed in the fourth quarter of 2022 (see Note 17 – Subsequent events).
- (37) The vessel is owned 50% by White Narcissus Marine S.A. and 50% by Kleimar N.V.
- (38) The vessel agreed to be sold in December 2022. The sale is expected to be completed in the first quarter of 2023 (see Note 17 – Subsequent events).
- (39) The vessels agreed to be sold in November 2022. The sale is expected to be completed in the first quarter of 2023 (see Note 17 – Subsequent events).



**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 and Expense Recognition:***

*Revenue from time chartering*

Revenues from time chartering and bareboat chartering of vessels are accounted for as operating leases and are thus recognized on a straight-line basis as the average lease revenue over the rental periods of such charter agreements, as service is performed. A time charter involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Short period charters for less than three months are referred to as spot-charters. Charters extending three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. The Company has determined to recognize lease revenue as a combined single lease component for all time charters (operating leases) as the related lease component and non-lease components will have the same timing and pattern of the revenue recognition of the combined single lease component. The performance obligations in a time charter contract are satisfied over term of the contract beginning when the vessel is delivered to the charterer until it is redelivered back to the Company. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel. Revenue from time chartering and bareboat chartering of vessels amounted to \$287,017 and \$211,436 for the three month periods ended September 30, 2022 and 2021, respectively. Revenue from time chartering and bareboat chartering of vessels amounted to \$763,623 and \$419,176 for the nine month periods ended September 30, 2022 and 2021, respectively.

*Revenue from voyage contracts*

Under a voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. Upon adoption of ASC 606, the Company recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract. Revenue from voyage contracts amounted to \$12,793 and \$11,025 for the three month periods ended September 30, 2022 and 2021, respectively. Revenue from voyage contracts amounted to \$30,199 and \$16,634 for the nine month periods ended September 30, 2022 and 2021, respectively.

*Pooling arrangements*

For vessels operating in pooling arrangements, the Company earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. The amount allocated to each pool participant vessel, including the Company's vessels, is determined in accordance with an agreed-upon formula, which is determined by points awarded to each vessel in the pool based on the vessel's age, design and other performance characteristics. Revenue under pooling arrangements is accounted for as variable rate operating leases on the accrual basis and is recognized when an agreement with the pool exists, price is fixed, service is provided and the collectability is reasonably assured. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material. The Company recognizes net pool revenue on a monthly and quarterly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. Revenue from vessels operating in pooling arrangements amounted to \$21,943 and \$5,181 for the three month periods ended September 30, 2022 and 2021, respectively. Revenue from vessels operating in pooling arrangements amounted to \$44,335 and \$8,904 for the nine month periods ended September 30, 2022 and 2021, respectively.

*Revenue from profit-sharing*

Profit-sharing revenues are calculated at an agreed percentage of the excess of the charterer's average daily income (calculated on a quarterly or semi-annual basis) over an agreed amount and accounted for on an accrual basis based on provisional amounts and for those contracts that provisional accruals cannot be made due to the nature of the profit sharing elements, these are accounted for on the actual cash settlement or when such revenue becomes determinable. Profit-sharing revenue amounted to \$634 and \$315 for the three month periods ended September 30, 2022 and 2021, respectively. Profit-sharing revenue amounted to \$1,508 and \$315 for the nine month periods ended September 30, 2022 and 2021, respectively.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive) on services rendered by the Company and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

***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 on Form 20-F for the year ended December 31, 2021. On January 1, 2022, the Company adopted the provisions of ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments ("ASU 2021-05") and this adoption did not have a material effect on Company's interim condensed consolidated financial position, results of operations, and cash flows.

**NOTE 3 – ACQUISITION OF NAVIOS CONTAINERS AND NAVIOS ACQUISITION**

**ACQUISITION OF NAVIOS CONTAINERS**

On March 31, 2021, Navios Partners completed the merger (the "NMCI Merger") contemplated by the Agreement and Plan of Merger (the "NMCI Merger Agreement"), dated as of December 31, 2020, by and amongst Navios Partners, its direct wholly-owned subsidiary NMM Merger Sub LLC ("Merger Sub"), Navios Maritime Containers L.P. ("Navios Containers") and Navios Maritime Containers GP LLC, Navios Containers general partner. Pursuant to the NMCI Merger Agreement, Merger Sub merged with and into Navios Containers, with Navios Containers continuing as the surviving partnership. As a result of the NMCI Merger, Navios Containers became a wholly-owned subsidiary of Navios Partners. Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. Following the exercise of the optional second merger, Navios Containers merged with and into Navios Maritime Containers Sub LP ("Navios Containers" which shall include all

its predecessors), with Navios Containers continuing as the surviving partnership, and Migen Shipmanagement Ltd, a wholly owned subsidiary of Navios Partners, became Navios Containers' general partner.

Navios Partners accounted for the NMCI Merger "as a business combination achieved in stages", which results in the application of the "acquisition method," as defined under ASC 805, Business Combinations. Navios Partners' previously held equity interest in Navios Containers was remeasured to its fair value at March 31, 2021, the date the controlling interest was acquired and the resulting gain was recognized in earnings. Under the acquisition method, the fair value of the consideration paid by Navios Partners in connection with the transaction was allocated to Navios Containers' net assets based on their estimated fair values at the date of the completion of the NMCI Merger. The excess of the fair value of the identifiable net assets acquired of \$342,674 over the total purchase price consideration of \$298,621, resulted in a bargain gain of \$44,053. The transaction resulted in a bargain gain as a result of the share price of Navios Containers trading at a discount to their net asset value. The fair value of the vessels was determined based on vessel valuations, obtained from independent third party shipbrokers, which are among other things, based on recent sales and purchase transactions of similar vessels. The fair value of the unfavorable lease terms (intangible liabilities) was determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to the current market charter rates for a similar contract; and (ii) discounted using the Company's relevant discount factor of 8.89%.

**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)

As of March 31, 2021, Navios Partners’ previously held interest of 35.7% in Navios Containers was remeasured to a fair value of \$106,997, determined using the closing price per common unit of \$9.23 of Navios Containers as of the closing date of the NMCI merger, resulting in revaluation gain of \$75,387 which along with the equity gain of \$5,452 from the operations of Navios Containers upon the closing date aggregate to a gain on acquisition of control in the amount of \$80,839 and is presented in, “Equity in net earnings of affiliated companies”, in the accompanying condensed Consolidated Statements of Operations. The acquisition of the remaining interest of 64.3% through the issuance of newly issued common units in Navios Partners was recorded at a fair value of \$191,624 on the basis of 8,133,452 common units issued at a closing price per common unit of \$23.56 as of the closing date of the NMCI Merger.

Since the completion of the merger on March 31, 2021, beginning from April 1, 2021, the results of operations of Navios Containers are included in Navios Partners’ condensed Consolidated Statements of Operations.

For the three month periods ended September 30, 2022 and September 30, 2021, transaction costs amounted to \$0 and \$87, respectively, and have been expensed in the condensed Consolidated Statements of Operations under the caption “General and administrative expenses”.

For the nine month periods ended September 30, 2022 and September 30, 2021, transaction costs amounted to \$0 and \$188, respectively, and have been expensed in the condensed Consolidated Statements of Operations under the caption “General and administrative expenses”.

The following table summarizes the consideration exchanged and the fair value of assets acquired and liabilities assumed on March 31, 2021:

<b>Purchase price:</b>	
Fair value of previously held interest (35.7%)	\$ 106,997
Equity issuance (8,133,452 Navios Partners units * \$23.56)	191,624
<b>Total purchase price</b>	<b>298,621</b>
<b>Fair value of assets acquired and liabilities assumed:</b>	
Vessels	770,981
Current assets (including cash of \$10,282)	29,033
Unfavorable lease terms	(224,490)
Long term debt and financial liabilities assumed (including current portion)	(227,434)
Current liabilities	(5,416)
<b>Fair value of net assets acquired</b>	<b>342,674</b>
<b>Bargain gain</b>	<b>\$ 44,053</b>

The acquired intangible, listed below, as determined at the acquisition date and amortized under the straight-line method over the period indicated below:

	<u>Within One Year</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>	<u>Year Six</u>	<u>Total</u>
<b>Time charters with unfavorable lease terms</b>	\$(126,710)	(52,501)	(20,431)	(12,462)	(11,445)	(941)	<b>\$(224,490)</b>

Intangible liabilities subject to amortization are amortized using straight-line method over their estimated useful lives to their estimated residual value of zero.

The following is a summary of the acquired identifiable intangible liability:

<u>Description</u>	<u>Amount</u>
Unfavorable lease terms	\$(224,490)

**ACQUISITION OF NAVIOS ACQUISITION**

On August 25, 2021 (date of obtaining control), Navios Partners purchased 44,117,647 newly issued shares of Navios Maritime Acquisition Corporation (“Navios Acquisition”), thereby acquiring a controlling interest of 62.4% in Navios Acquisition, and the results of operations of Navios Acquisition are included in Navios Partners’ condensed Consolidated Statements of Operations commencing on August 26, 2021.

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

Navios Partners accounted for the control obtained “as a business combination”, which resulted in the application of the “acquisition method,” as defined under ASC 805, Business Combinations, as well as the recognition of the equity interest in Navios Acquisition not held by Navios Partners to its fair value at the date the controlling interest is acquired by Navios Partners as noncontrolling interest on the Consolidated Balance Sheet. The excess of the fair value of Navios Acquisition’s identifiable net assets acquired of \$211,597 over the fair value of the consideration transferred of \$150,000 and the fair value of the noncontrolling interest of \$57,635, resulted in a bargain gain upon obtaining control of \$3,962.



**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 fair value of the consideration of \$150,000 has been treated as deemed contribution with an equal increase in total partner's capital. The fair value of the noncontrolling interest was determined by using Navios Acquisition's closing price of \$2.17 as of August 25, 2021 (date of obtaining control). The fair value of the vessels was determined based on vessel valuations, obtained from independent third party shipbrokers, which are among other things, based on recent sales and purchase transactions of similar vessels. The fair value of the favorable and unfavorable lease terms (intangible assets and liabilities) were determined by reference to market data and the discounted amount of expected future cash flows. The key assumptions that were used in the discounted cash flow analysis were as follows: (i) the contracted charter rate of the acquired charter over the remaining lease term compared to the current market charter rates for a similar contract and (ii) discounted using the Company's relevant discount factor of 10.43%.

Navios Acquisition's balances and results of operations are included in Navios Partners' condensed Consolidated Balance Sheets and condensed Consolidated Statements of Operations, respectively, as of September 30, 2022, Navios Partners' Consolidated Balance Sheets as of December 31, 2021 and condensed Consolidated Statements of Operations, as of September 30, 2021, commencing on August 26, 2021.

For the nine month periods ended September 30, 2022 and September 30, 2021, transaction costs amounted to \$0 and \$2,870, respectively, have been expensed in the condensed Consolidated Statements of Operations under the caption "Transaction costs".

For the three month periods ended September 30, 2022 and September 30, 2021, transaction costs amounted to \$0 and \$2,870, respectively, have been expensed in the condensed Consolidated Statements of Operations under the caption "Transaction costs".

The following table summarizes the fair value of the consideration transferred the fair value of assets acquired and liabilities assumed and the fair value of the noncontrolling interest in Navios Acquisition assumed on August 25, 2021:

<b>Purchase consideration:</b>	
Fair value of the consideration	\$ 150,000
Fair value of noncontrolling interest (37.6%)	<u>57,635</u>
<b>Total purchase consideration</b>	<b>207,635</b>
<b>Fair value of Navios Acquisition's assets acquired and liabilities assumed:</b>	
Vessels	1,003,040
Other long-term assets	27,291
Operating lease assets	128,619
Current assets (including cash and restricted cash of \$32,394)	64,180
Favorable lease terms	112,139
Unfavorable lease terms	(6,529)
Long term debt and financial liabilities assumed (including current portion)	(811,608)
Operating lease liabilities (including current portion)	(128,619)
Current liabilities	<u>(176,916)</u>
<b>Fair value of Navios Acquisition's net assets</b>	<b>211,597</b>
<b>Bargain gain upon obtaining control</b>	<b>\$ 3,962</b>

The intangible assets and liabilities, listed below, as determined at the date of obtaining control and are amortized under the straight-line method over the period indicated below:

	Within One Year	Year Two	Year Three	Year Four	Year Five	Year Six and thereafter	Total
<b>Time charters with favorable lease terms</b>	\$24,398	18,232	18,156	17,702	11,182	22,469	<b>\$112,139</b>
<b>Time charters with unfavorable lease terms</b>	\$ (4,672)	(1,857)	—	—	—	—	<b>\$ (6,529)</b>

Intangible assets and liabilities subject to amortization are amortized using straight-line method over their estimated useful lives to their estimated residual value of zero.

The following is a summary of the identifiable intangible asset and liability at the date of obtaining control:

<b>Description</b>	<b>Amount</b>
Favorable lease terms	\$112,139
Unfavorable lease terms	\$ (6,529)

**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 4 – CASH AND CASH EQUIVALENTS**

	September 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 91,971	\$ 159,467
Restricted cash	18,349	9,979
<b>Total cash and cash equivalents and restricted cash</b>	<b>\$ 110,320</b>	<b>\$ 169,446</b>

As of September 30, 2022 and December 31, 2021, restricted cash amounted to \$18,349 and \$9,979, respectively, and mainly related to amounts held in retention accounts in order to service debt and interest payments, as required by certain of the Company's credit facilities and financial liabilities.

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

**NOTE 5 – VESSELS, NET**

	Cost	Accumulated Depreciation	Net Book Value
<b>Owned vessels and right-of-use assets under finance leases</b>			
<b>Balance December 31, 2021</b>	<b>\$3,220,627</b>	<b>\$ (368,057)</b>	<b>\$2,852,570</b>
Additions/ (Depreciation)	1,121,993	(113,655)	1,008,338
Disposals	(70,950)	4,496	(66,454)
<b>Balance September 30, 2022</b>	<b>\$4,271,670</b>	<b>\$ (477,216)</b>	<b>\$3,794,454</b>

The above is analyzed in the following tables:

	Cost	Accumulated Depreciation	Net Book Value
<b>Owned Vessels</b>			
<b>Balance December 31, 2021</b>	<b>\$3,220,627</b>	<b>\$ (368,057)</b>	<b>\$2,852,570</b>
Additions/ (Depreciation)	633,320	(110,340)	522,980
Disposals	(70,950)	4,496	(66,454)
<b>Balance September 30, 2022</b>	<b>\$3,782,997</b>	<b>\$ (473,901)</b>	<b>\$3,309,096</b>
<b>Right-of-use assets under finance leases</b>			
<b>Balance December 31, 2021</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
Additions/ (Depreciation)	488,673	(3,315)	485,358
<b>Balance September 30, 2022</b>	<b>\$ 488,673</b>	<b>\$ (3,315)</b>	<b>\$ 485,358</b>

Right-of-use asset 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.

As of September 30, 2022, the unamortized balance of the right-of-use asset associated with the vessels under finance leases amounted to \$485,358 (December 31, 2021: \$0) and is presented under the caption "Vessels, net" in the condensed Consolidated Balance Sheets.

During the nine month periods ended September 30, 2022 and 2021, the Company capitalized certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation, that amounted to \$12,157 and \$8,127, respectively, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the condensed Consolidated Statements of Cash Flows (see Note 13 – Transactions with related parties and affiliates).

As of September 30, 2022, the Company's capitalized expenses amounted to \$12,555 that related to the acquisition of the Navios Armonia, the Navios Astra and the Navios Primavera.

For each of the three and nine month periods ended September 30, 2022, the depreciation expense charged for vessels under finance leases amounted to \$3,051. For each of the three and nine month periods ended September 30, 2022, the depreciation expense charged for vessels under finance leases amounted to \$0. Depreciation expense is included under the caption "Depreciation and amortization of intangible assets" in the condensed Consolidated Statements of Operations.

**Acquisition of Vessels**
**2022**

On September 21, 2022, Navios Partners took delivery of the Navios Armonia, a 2022-built Capesize vessel of 182,079 dwt, from an unrelated third party, for a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the vessel as finance lease for an acquisition cost of \$43,809 and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 7 – Borrowings), increased by initial direct costs adjusted for the carrying amount of the straight-line effect of the liability.

On September 13, 2022, Navios Partners took delivery of the Navios Astra, a 2022-built Capesize vessel of 182,392 dwt, from an unrelated third party, for a 10-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the vessel as finance lease for an acquisition cost of \$55,428 and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 7 – Borrowings), increased by initial direct costs adjusted for the carrying amount of the straight-line effect of the liability.

On July 27, 2022, Navios Partners acquired the Navios Primavera, a 2022-built Panamax vessel of 82,003 dwt, from an unrelated third party, for an acquisition cost of \$32,224 (see Note 7 – Borrowings).

**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)

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, on July 29, 2022, the Company took delivery of 10 vessels accounted for as finance leases for an acquisition cost of \$389,436 and recorded a right-of-use asset at an amount equal to the finance lease liability (see Note 7 – Borrowings), increased with the allocated excess value and adjusted for the carrying amount of the straight-line effect of the liability as well as the favorable and unfavorable lease terms derived from charter-in agreements. On September 8, 2022, the Company took delivery of 20 vessels held and used, accounted for as owned, for an acquisition cost of \$588,939 (see Note 2 – Summary of Significant Accounting Policies).

**2021**

On July 9, 2021, Navios Partners acquired the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$30,003 (including \$3 capitalized expenses) (see Note 13 – Transactions with related parties and affiliates).

On June 30, 2021, Navios Partners acquired the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt and the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt, from its affiliate, Navios Holdings, for an aggregate purchase price of \$58,000 (see Note 13 – Transactions with related parties and affiliates).

On June 4, 2021, Navios Partners acquired the Navios Koyo, a 2011-built Capesize vessel of 181,415 dwt, from its affiliate, Navios Holdings, for a purchase price of \$28,567 (including \$67 capitalized expenses) (see Note 13 – Transactions with Related Parties).

On May 10, 2021, Navios Partners acquired the Ete N, a 2012-built Containership of 2,782 TEU, the Fleur N, a 2012-built Containership of 2,782 TEU and the Spectrum N, a 2009-built Containership of 2,546 TEU from Navios Acquisition, for an aggregate purchase price of \$55,500 (see Note 13 – Transactions with related parties and affiliates).

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$39,320 (including \$70 capitalized expenses), including working capital balances of \$(5,766) (see Note 13 – Transactions with related parties and affiliates).

The acquisition of the individual vessels from Navios Holdings (except for the Navios Koyo) and Navios Acquisition was effected through the acquisition of all of the capital stock of the respective vessel-owning companies, which held the ownership and other contractual rights and obligations related to each of the acquired vessels. Management accounted for each acquisition as an asset acquisition under ASC 805.

***Sale of Vessels***

**2022**

On September 21, 2022, Navios Partners sold the Navios Unite, a 2006-built Containership of 8,204 TEU, to an unrelated third party, for a net sales price of \$83,125. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost amounted to \$35,835 as of the date of the sale.

On September 12, 2022, Navios Partners sold the Navios Utmost, a 2006-built Containership of 8,204 TEU, to an unrelated third party, for a net sales price of \$132,125. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost amounted to \$35,651 as of the date of the sale.

Following the sale of the vessels during each of the three and nine month periods ended September 30, 2022, the aggregate amount of \$143,764 was presented under the caption “Gain on sale of vessels, net” in the condensed Consolidated Statements of Operations and condensed Consolidated Statements of Cash Flows.

**2021**

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

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

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

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

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

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

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

Following the sale of the vessels during the three and nine month periods ended September 30, 2021, the aggregate amount of \$30,859 and \$30,348, respectively, was presented under the caption “Gain on sale of vessels, net” in the condensed Consolidated Statements of Operations.

***Vessels agreed to be sold***

In September 2022, Navios Partners agreed to sell the Navios Ulysses, a 2007-built Ultra-Handymax of 55,728 dwt, to an unrelated third party, for a net sales price of \$13,965. The vessel was classified as held for sale and is presented under the caption “Vessel held for sale” in the condensed Consolidated Balance Sheets, measured at the lowest of carrying value and fair value less costs to sell. The sale was completed on October 14, 2022.

In September 2022, Navios Partners agreed to sell the Navios Camelia, a 2009-built Panamax of 75,162 dwt, to an unrelated third party, for a net sales price of \$14,700. The sale was completed on November 17, 2022. The Company has performed an assessment based on provisions of ASC 360 and concluded that the held for sale criteria were not met and the vessel was not classified as held for sale as of September 30, 2022.

**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 6 – INTANGIBLE ASSETS AND LIABILITIES**

Intangible assets as of September 30, 2022 and December 31, 2021 consisted of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
<b>Favorable lease terms December 31, 2021</b>	<b>\$ 195,854</b>	<b>\$ (95,432)</b>	<b>\$ 100,422</b>
Additions/ (Amortization)	15,790	(29,880)	(14,090)
<b>Favorable lease terms September 30, 2022</b>	<b>\$ 211,644</b>	<b>\$ (125,312)</b>	<b>\$ 86,332</b>

Amortization expense of favorable lease terms for each of the periods ended September 30, 2022 and 2021 is presented in the following table:

	<u>Three Month Period Ended</u>		<u>Nine Month Period Ended</u>	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Favorable lease terms	\$ (17,450)	\$ (3,837)	\$ (29,880)	\$ (4,420)
<b>Total</b>	<b>\$ (17,450)</b>	<b>\$ (3,837)</b>	<b>\$ (29,880)</b>	<b>\$ (4,420)</b>

The aggregate amortization of the intangibles assets for the 12-month periods ending September 30 is estimated to be as follows:

<u>Period</u>	<u>Amount</u>
2023	\$21,361
2024	18,156
2025	15,958
2026	9,764
2027 and thereafter	21,093
<b>Total</b>	<b>\$86,332</b>

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 September 30, 2022, the weighted average useful life of the remaining favorable lease terms was 5.5 years.

Intangible liabilities as of September 30, 2022 and December 31, 2021 consisted of the following:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
<b>Unfavorable lease terms December 31, 2021</b>	<b>\$ 231,019</b>	<b>\$ (108,538)</b>	<b>\$ 122,481</b>
Additions/ (Amortization)	389	(64,205)	(63,816)
<b>Unfavorable lease terms September 30, 2022</b>	<b>\$ 231,408</b>	<b>\$ (172,743)</b>	<b>\$ 58,665</b>

Amortization income of unfavorable lease terms for each of the periods ended September 30, 2022 and 2021 is presented in the following table:

	<u>Three Month Period Ended</u>		<u>Nine Month Period Ended</u>	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Unfavorable lease terms	\$ 24,779	\$ 35,576	\$ 64,205	\$ 77,602
<b>Total</b>	<b>\$ 24,779</b>	<b>\$ 35,576</b>	<b>\$ 64,205</b>	<b>\$ 77,602</b>

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

<u>Period</u>	<u>Amount</u>
2023	\$27,190
2024	13,003
2025	11,942
2026	6,530
<b>Total</b>	<b>\$58,665</b>

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 September 30, 2022, the weighted average useful life of the remaining unfavorable lease terms was 2.9 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)

**NOTE 7 – BORROWINGS**

Borrowings as of September 30, 2022 and December 31, 2021 consisted of the following:

	September 30, 2022	December 31, 2021
Credit facilities (including liabilities associated with the vessel held for sale)	\$ 943,659	\$ 825,267
Financial liabilities	638,663	549,178
Finance Lease Liabilities	356,507	—
<b>Total borrowings</b>	<b>\$ 1,938,829</b>	<b>\$ 1,374,445</b>
Less: Current portion of long-term borrowings, net (including liabilities associated with the vessel held for sale)	(360,143)	(255,137)
Less: Deferred finance costs, net	(11,532)	(12,736)
<b>Long-term borrowings, net</b>	<b>\$ 1,567,154</b>	<b>\$ 1,106,572</b>

As of September 30, 2022, the total borrowings, net of deferred finance costs under the Navios Partners' credit facilities including liabilities associated with vessel held for sale, financial liabilities and finance lease liabilities were \$1,927,297.

**Credit Facilities**

As of September 30, 2022, the Company had secured credit facilities with various banks with a total outstanding balance of \$943,659. The purpose of the facilities was to finance the acquisition of vessels or refinance existing indebtedness. All of the facilities are denominated in U.S. dollars and bear interest rate (as defined in the loan agreements) plus spread ranging from 225 bps to 300 bps, per annum. The facilities are repayable in either semi-annual or quarterly installments, followed by balloon payments with maturities, ranging from the second quarter of 2023 to the second quarter of 2027. See also the maturity table included below.

**KFW IPEX-BANK GMBH:** On September 30, 2022, Navios Partners entered into a new credit facility with KFW IPEX-BANK GMBH ("KFW") for a total amount up to \$86,240 in order to finance the acquisition of two containership vessels. As of September 30, 2022, the facility remained undrawn. The facility is scheduled to mature seven years after the drawdown date and bears interest at Term Secured Overnight Financing Rate ("SOFR") plus 200 bps per annum.

**Hamburg Commercial Bank AG Credit Facilities:** On September 5, 2022, Navios Partners entered into a new 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. As of September 30, 2022, the total outstanding balance was \$210,000 and is repayable in three quarterly instalments of \$10,000 each and eight quarterly instalments of \$7,570 with a final balloon payment of \$119,440 to be paid on the last repayment date. The facility matures in the second quarter of 2025 and bears interest at SOFR plus 250 bps per annum.

On May 11, 2021, Navios Partners entered into a new credit facility with Hamburg Commercial Bank for a total amount of up to \$160,000, in order to: (i) refinance its existing HCOB credit facility dated September 26, 2019; (ii) refinance the existing facility of one dry bulk vessel; and (iii) to partially finance the acquisition of one dry bulk vessel. On June 8, 2021, the full amount of the credit facility was drawn. In October 2021, following the sale of one 2006-built panamax vessel, the amount of \$3,836 was prepaid. Following the partial prepayment, as of December 31, 2021, the remaining balance of the credit facility was \$143,820 and was repayable in six consecutive quarterly installments of \$6,094 each and eight consecutive quarterly installments of \$3,656 each, with a final balloon payment of \$78,004 to be repaid on the last repayment date. The facility was scheduled to mature in the second quarter of 2025 and bore interest at LIBOR plus 310 bps per annum. In September 2022, the outstanding balance of the loan amounting to \$125,538 was prepaid and refinanced.

**Skandinaviska Enskilda Banken AB:** On June 29, 2022, Navios Partners entered into a new credit facility with Skandinaviska Enskilda Banken AB of up to \$55,000 in order to refinance the existing indebtedness of four of its vessels and for general corporate purposes. On June 30, 2022, the full amount was drawn. As of September 30, 2022, the total outstanding balance was \$54,510 and is repayable in one instalment of \$3,430, 18 consecutive quarterly installments of \$1,960 each and a final balloon payment of \$15,800 to be paid on the last repayment date. The facility matures in the second quarter of 2027 and bears interest at SOFR plus 225 bps per annum.

**Hellenic Bank Public Company Limited Credit Facilities:** On May 9, 2022, Navios Partners entered into a new credit facility with Hellenic Bank Public Company Limited ("Hellenic Bank") of up to \$25,235 in order to refinance the existing indebtedness of five of its vessels and for working capital purposes. On May 11, 2022, the full amount was drawn. As of September 30, 2022, the total outstanding balance was \$23,780 and is repayable in 13 quarterly installments of \$1,035 each, five quarterly installments of \$895 each and one installment of \$850 together with a final balloon payment of \$5,000 to be paid on the last repayment date. The facility matures in the second quarter of 2027 and bears interest at SOFR plus credit adjustment spread plus 250 bps per annum.

On April 23, 2021, Navios Partners extended the credit facility with Hellenic Bank dated June 25, 2020 for an amount of \$8,850 in order to partially finance the acquisition of one containership from Navios Acquisition. On April 28, 2021, the amount of \$8,850 was drawn. In August 2021, following the sale of one 2006-built containership of 2,824 TEU, the amount of \$3,998 was prepaid. Following the prepayment, the credit facility was repayable in one quarterly instalment of approximately \$1,374, two consecutive quarterly installments of \$858 each, two consecutive quarterly installments of \$437 each, seven consecutive quarterly installments of approximately \$296 each and one quarterly installment of approximately \$437 with a final balloon payment of \$4,993 to be repaid on the last repayment date. The credit facility was scheduled to mature in the fourth quarter of 2024 and bore interest at LIBOR plus 300 and 350 bps per annum for each tranche respectively. In May 2022, the outstanding balance of the loan amounting to \$8,534 was prepaid and refinanced.



**ABN Amro Bank N.V. Credit Facilities:** On March 28, 2022, Navios Partners entered into a new credit facility with ABN Amro Bank N.V. (“ABN AMRO”) of up to \$55,000 in order to refinance the existing indebtedness of three of its vessels and for general corporate purposes. On March 31, 2022, the full amount was drawn. As of September 30, 2022, the total outstanding balance was \$51,600 and is repayable in 18 consecutive quarterly installments of \$1,700 each together with a final balloon payment of \$21,000 to be paid on the last repayment date. The facility matures in the first quarter of 2027 and bears interest at daily cumulative or non-cumulative compounded RFR rate (as defined in the loan agreement) plus 225 bps per annum.

On December 3, 2018, Navios Containers entered into a facility agreement with ABN AMRO for an amount of up to \$50,000 divided into two tranches: (i) the first tranche is for an amount of up to \$41,200 in order to refinance the outstanding debt of four containerships and to partially finance the acquisition of one containership; and (ii) the second tranche is for an amount of up to \$8,800 in order to partially finance the acquisition of one containership. This loan bears interest at a rate of LIBOR plus 350 bps. Navios Containers drew the entire amount under this facility, net of the loan’s discount of \$500 in the fourth

**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)

quarter of 2018. On June 28, 2019, Navios Containers entered into a supplemental agreement with ABN AMRO, under which Navios Containers made a partial prepayment of the loan in the aggregate amount of \$9,400 and two containerships were released from the facility. In December 2021, following an additional supplemental agreement with the ABN AMRO, the Company made a partial prepayment of the loan in the aggregate amount of \$2,000 and three containerships were released from the facility. Following the partial prepayment, the remaining outstanding balance of the credit facility was \$13,050 and was repayable in four equal consecutive quarterly installments of \$750 each, with a final balloon payment of \$10,050 to be repaid on the last repayment date. The facility was scheduled to mature in the fourth quarter of 2022 and bore interest at LIBOR plus 350 bps per annum. In March 2022, the outstanding balance of the loan amounting to \$12,300 was prepaid and refinanced.

**DVB Bank S.E. Credit Facilities:** On July 31, 2018, Navios Partners entered into a credit facility with DVB Bank S.E. (“DVB”) of up to \$44,000 (divided into two tranches) in order to finance the acquisition of two of its vessels. The amounts of \$17,500 and \$26,500 were drawn on August 30, 2018. Pursuant to the supplemental letter dated March 30, 2021, the repayment was amended. Following the amendment, the facility was repayable in seven consecutive quarterly installments of \$798 each, with a final balloon payment of \$30,443 to be repaid on the last repayment date. The facility was scheduled to mature in the fourth quarter 2022 and bore interest at LIBOR plus 290 bps per annum. In March 2022, the outstanding balance of the loan amounting to \$32,835 was prepaid and refinanced.

On February 12, 2019, Navios Partners entered into a credit facility with DVB of up to \$66,000 (divided into four tranches) in order to refinance a credit facility dated June 28, 2017 with the same bank and three capesize vessels previously included in the Term Loan B collateral package. On April 15, 2019, Navios Partners drew the two tranches of \$15,675 each. On October 10, 2019, Navios Partners drew the two additional tranches of \$14,820 each. Pursuant to the supplemental letter dated March 30, 2021, the facility was repayable in one quarterly installment of \$2,243 and seven consecutive quarterly installments of \$1,859 each, with a final balloon payment of \$32,297, to be repaid on the last repayment date. The facility was scheduled to mature in the first quarter of 2023 and bore interest at LIBOR plus 260 bps per annum. In June 2022, the outstanding balance of the loan amounting to \$37,875 was prepaid and refinanced.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners assumed the following credit facilities:

**Credit Agricole CIB:** In December 2021, Navios Holdings entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of \$105,000, for the refinancing of seven of its vessels. On January 5, 2022, the amount under this facility was fully drawn. As of September 30, 2022, the remaining outstanding balance of the credit facility was \$92,000 and is repayable in two consecutive quarterly installments of \$6,500 each, eight consecutive quarterly installments of \$4,750 each with a final balloon payment of \$41,000 to be repaid on the last repayment date. The facility matures in the fourth quarter of 2024 and bears interest at LIBOR plus 285 bps per annum. As of September 30, 2022, following the classification of one vessel as held for sale, the amount of \$10,708 was presented under the caption “liabilities associated with the vessel held for sale” in the condensed Consolidated Balance Sheets. The liabilities associated with the vessel classified as held for sale concern the portion of the credit facility attributable to the vessel.

**Hamburg Commercial Bank AG:** In December 2021, Navios Holdings entered into a loan agreement with HCOB for an amount of \$101,750, for the refinancing of seven of its vessels. On January 5, 2022, the amount under this facility was fully drawn. In March 2022, Navios Holdings prepaid an amount of \$10,380 and one dry bulk vessel was released. The remaining outstanding balance of \$91,345 was repayable in eight quarterly installments of \$3,915 each with a final balloon payment of \$60,027 to be repaid on the last repayment date. The facility was scheduled to mature in the first quarter of 2024 and bore interest at LIBOR plus a margin ranging from 325 bps 450 bps per annum. In September 2022, the outstanding balance of the loan amounting to \$83,515 was prepaid and refinanced.

Amounts drawn under the credit facilities are secured by first preferred mortgages on certain Navios Partners’ vessels and other collateral and are guaranteed by the respective vessel-owning subsidiaries.

### **Financial Liabilities**

In October 2019, Navios Acquisition entered into sale and leaseback agreements with unrelated third parties for \$90,811 in order to refinance six product tankers. Navios Acquisition has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In May 2022, the Company exercised its purchase option for two out of six vessels before the end of the lease term, by prepaying a predetermined amount and an amount of \$11,295 was prepaid. As of September 30, 2022, the outstanding balance under these agreements was \$49,416 and is repayable through periods ranging from two to five years in consecutive quarterly installments of up to \$1,834 each, with a repurchase obligation of up to \$16,500 in total. The sale and leaseback arrangements bear interest at LIBOR plus a margin ranging from 335 bps to 355 bps per annum, depending on the vessel financed.

Pursuant to a novation agreement dated December 20, 2021, the Company agreed to novate the shipbuilding contract and to simultaneously enter into a bareboat charter agreement to bareboat charter-in a newbuilding Panamax vessel of 82,003 dwt, under a ten-year bareboat contract, from an unrelated third party, the Navios Primavera. The Company-lessee has performed an assessment based on provisions of ASC 842 and concluded that it controls the underlying asset that is under construction before the commencement date of the lease and as such, a sale and leaseback of the asset occurs at the commencement date of the lease (upon the completion of construction). In July 2022, Navios Partners took delivery of the Navios Primavera, and entered into sale and leaseback agreement with an unrelated third party for \$25,264. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. 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. Navios Partners is obligated to make 120 consecutive monthly payments of up to \$209 each that commenced in July 2022. The agreement matures in the third quarter of 2032, with a purchase obligation of \$10,500 on the last repayment date. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$24,948.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners assumed the following financial liabilities:

In November 2019, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$33,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 111 remaining consecutive monthly payments of \$224 each that commenced in September 2022. The agreement matures in the first quarter of 2032, with a purchase obligation of \$750 on the last repayment date and bears interest at LIBOR plus 200 bps per annum. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$25,609.

In February 2020, Navios Holdings entered into a sale and leaseback agreement with an unrelated third party for \$35,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 112 remaining consecutive monthly payments of \$238 each that commenced in September 2022. The agreement matures in the first quarter of 2032, with a purchase obligation of \$750 on the last repayment date and bears interest at LIBOR plus 200 bps per annum. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$27,389.

**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 November 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$19,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 86 remaining consecutive monthly payments of up to \$204 each that commenced in September 2022. The agreement matures in the fourth quarter of 2029, with a purchase obligation of \$3,600 on the last repayment date. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$17,432.

In December 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$19,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 86 remaining consecutive monthly payments of up to \$204 each that commenced in September 2022. The agreement matures in the fourth quarter of 2029, with a purchase obligation of \$3,600 on the last repayment date. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$17,432.

In December 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$19,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 75 remaining consecutive monthly payments of \$214 each that commenced in September 2022. The agreement matures in the first quarter of 2029, with a purchase obligation of \$1,000 on the last repayment date and bears interest at LIBOR plus 200 bps per annum. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$17,071.

In December 2021, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$20,000 in order to finance a Capesize vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 62 remaining consecutive monthly payments of \$229 each that commenced in September 2022. The agreement matures in the fourth quarter of 2027, with a purchase obligation of \$3,500 on the last repayment date and bears interest at LIBOR plus 300 bps per annum. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$17,708.

In February 2022, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$12,000 in order to finance a Panamax vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 53 remaining consecutive monthly payments of up to \$208 each that commenced in September 2022. The agreement matures in the first quarter of 2027, with a purchase obligation of \$1,600 on the last repayment date. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$10,781.

In July 2022, Navios Holdings entered into sale and leaseback agreement with an unrelated third party for \$22,000 in order to finance a Panamax vessel. Navios Partners has a purchase obligation to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the liability assumed under the sale and leaseback agreement as a financial liability. Navios Partners is obligated to make 117 remaining consecutive monthly payments of \$158 each that commenced in September 2022. The agreement matures in the third quarter of 2032, with a purchase obligation of \$3,000 on the last repayment date and bears interest at LIBOR plus 155 bps per annum. As of September 30, 2022, the outstanding balance under the sale and leaseback agreement was \$21,525.

#### **Finance Lease Liabilities**

On September 21, 2022, Navios Partners took delivery of the Navios Armonia, a 2022-built Capesize vessel of 182,079 dwt, for a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 7% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period. As of September 30, 2022, the outstanding balance was \$39,718 and is repayable in 15 years in consecutive monthly installments up to \$264 each, with a purchase option of \$9,500, assuming that the option will be exercised at the end of the agreement.

On September, 2022, Navios Partners took delivery of the Navios Astra, a 2022-built Capesize vessel of 182,372 dwt, for a 10-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. In December, 2021, Navios Partners declared its option to purchase the vessel at the end of the tenth year of the bareboat charter-in agreement, preserving the right to exercise the purchase option earlier during the option period. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 7% of the remaining charter-in payments including the purchase obligation to acquire the vessel at the end of the lease period amounted to \$42,781. As of September 30, 2022, the outstanding balance was \$42,673 and is repayable in ten years in consecutive monthly installments up to \$243 each, with a purchase obligation of \$16,463, assuming that the obligation will be exercised at the end of the agreement.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners upon reassessing the classification of the following leases in accordance with the criteria in ASC 842 Leases, recognized the following finance lease liabilities:

On July 29, 2022, Navios Partners took delivery of the Navios Magellan II, a 2020-built Panamax vessel of 82,037 dwt, for a remaining eight-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$19,385. As of September 30, 2022, the outstanding balance was \$19,282 and is repayable in eight years in consecutive monthly installments up to \$105 each, with a purchase option of \$10,300.

**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 July 29, 2022, Navios Partners took delivery of the Navios Galaxy II, a 2020-built Panamax vessel of 81,789 dwt, for a remaining eight-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$17,702. As of September 30, 2022, the outstanding balance was \$17,558 and is repayable in eight years in consecutive monthly installments up to \$115 each, with a purchase option of \$7,513.

On July 29, 2022, Navios Partners took delivery of the Navios Uranus, a 2019-built Panamax vessel of 81,516 dwt, for a remaining seven-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$17,607. As of September 30, 2022, the outstanding balance was \$17,473 and is repayable in seven years in consecutive monthly installments up to \$167 each, with a purchase option of \$7,767.

On July 29, 2022, Navios Partners took delivery of the Navios Felicity I, a 2020-built Panamax vessel of 81,946 dwt, for a remaining seven-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$17,473. As of September 30, 2022, the outstanding balance was \$17,384 and is repayable in seven years in consecutive monthly installments up to \$97 each, with a purchase option of \$9,713.

On July 29, 2022, Navios Partners took delivery of the Navios Herakles I, a 2019-built Panamax vessel of 82,036 dwt, for a remaining seven-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$17,791. As of September 30, 2022, the outstanding balance was \$17,689 and is repayable in seven years in consecutive monthly installments up to \$117 each, with a purchase option of \$9,280.

On July 29, 2022, Navios Partners took delivery of the Navios Coral, a 2016-built Panamax vessel of 84,904 dwt, for a remaining three-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$35,173. As of September 30, 2022, the outstanding balance was \$34,847 and is repayable in three years in consecutive monthly installments up to \$300 each, with a purchase option of \$27,017.

On July 29, 2022, Navios Partners took delivery of the Navios Amber, a 2015-built Panamax 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 discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$35,229. As of September 30, 2022, the outstanding balance was \$34,703 and is repayable in one year in consecutive monthly installments up to \$338 each, with a purchase option of \$32,019.

On July 29, 2022, Navios Partners took delivery of the Navios Citrine, a 2017-built Panamax 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 discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$35,605. As of September 30, 2022, the outstanding balance was \$35,275 and is repayable in three years in consecutive monthly installments up to \$273 each, with a purchase option of \$27,936.

On July 29, 2022, Navios Partners took delivery of the Navios Dolphin, a 2017-built Panamax 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 discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$35,676. As of September 30, 2022, the outstanding balance was \$35,348 and is repayable in three years in consecutive monthly installments up to \$272 each, with a purchase option of \$27,940.

On July 29, 2022, Navios Partners took delivery of the Navios Felix, a 2016-built Capesize vessel of 181,221 dwt, for a remaining one-year charter-in agreement. The charter-in provides for purchase options with de-escalating purchase prices. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value discounted by the Company's incremental borrowing rate of approximately 6% of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period amounted to \$45,383. As of September 30, 2022, the

outstanding balance was \$44,557 and is repayable in three years in consecutive monthly installments up to \$540 each, with a purchase option of \$36,766.

Based on management estimates and market conditions, the lease term of the leases is being assessed at each balance sheet date. At lease commencement, the Company determines a discount rate to calculate the present value of the lease payments so that it can determine lease classification and measure the lease liability. In determining the discount rate to be used at lease commencement, the Company used its incremental borrowing rate as there was no implicit rate included in charter-in contracts that can be readily determinable. The incremental borrowing rate is the rate that reflects the interest a lessee would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

The Company recognizes the total interest expense incurred on finance lease liabilities under the caption "Interest expense and finance cost, net" in the condensed Consolidated Statements of Operations. As of each of the three and nine month periods ended September 30, 2022, the total interest expenses incurred amounted to \$4,420. As of each of the three and nine month periods ended September 30, 2021, the total interest expenses incurred amounted to \$0.



**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)

For the nine month periods ended September 30, 2022 and 2021, an amount of \$2,938 and \$0, respectively, was paid related to the finance lease liabilities. Payments related to the finance lease liabilities are presented under the caption “Repayment of long-term debt and financial liabilities” in the condensed Consolidated Statements of Cash Flows.

#### **Credit Facilities and Financial Liabilities**

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

As of each of September 30, 2022 and December 31, 2021, the security deposits under certain sale and leaseback agreements were \$10,078, and are presented under the caption “Other long-term assets” in the condensed Consolidated Balance Sheets.

The Company’s credit facilities and certain financial liabilities also require compliance with a number of financial covenants, including: (i) maintain a required security ranging over 105% to 140%; (ii) minimum free consolidated liquidity in an amount equal to \$500 per owned vessel and a number of vessels as defined in the Company’s credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company’s credit facilities and financial liabilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth ranging from \$30,000 to \$135,000.

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

As of September 30, 2022, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities and certain financial liabilities.

The annualized weighted average interest rates of the Company’s total borrowings for the three and nine month periods ended September 30, 2022 were 5.59% and 4.59%, respectively. The annualized weighted average interest rates of the Company’s total borrowings for the three and nine month periods ended September 30, 2021 were 4.77% and 4.29%, respectively.

The maturity table below reflects the principal payments for the next five 12-month periods ending September 30 and thereafter of all borrowings of Navios Partners outstanding as of September 30, 2022, based on the repayment schedules of the respective credit facilities, financial liabilities and finance lease liabilities.

<u>Period ending September 30,</u>	<u>Amount</u>
2023	364,773
2024	382,355
2025	563,497
2026	188,797
2027 and thereafter	439,407
<b>Total</b>	<b><u><u>\$1,938,829</u></u></b>

#### **NOTE 8 – FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

##### **Fair value of financial instruments**

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

**Cash and cash equivalents:** The carrying amounts reported in the 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.

**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.

**Long-term borrowings, including current portion, net (including liabilities associated with the vessel held for sale):** The book value has been adjusted to reflect the net presentation of deferred finance costs. The outstanding balance of the floating rate loans, financial liabilities, liabilities

associated with the vessel held for sale and finance lease 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:

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Book Value</b>	<b>Fair Value</b>	<b>Book Value</b>	<b>Fair Value</b>
Cash and cash equivalents	\$ 91,971	\$ 91,971	\$ 159,467	\$ 159,467
Restricted cash	\$ 18,349	\$ 18,349	\$ 9,979	\$ 9,979
Amounts due from related parties, long-term	\$ 42,083	\$ 42,083	\$ 35,245	\$ 35,245
Amounts due to related parties, short-term	\$ (115,820)	\$ (115,820)	\$ (64,204)	\$ (64,204)
Long-term borrowings, including current portion, net (including liabilities associated with vessel held for sale)	\$(1,927,297)	\$(1,938,829)	\$(1,361,709)	\$(1,374,445)

**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)

**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 we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Company did not use any Level III inputs as of September 30, 2022 and December 31, 2021.

	Fair Value Measurements as at September 30, 2022			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 91,971	\$91,971	\$ —	\$ —
Restricted cash	\$ 18,349	\$18,349	\$ —	\$ —
Amounts due from related parties, long-term <sup>(2)</sup>	\$ 42,083	\$ —	\$ 42,083	\$ —
Amounts due to related parties, short-term <sup>(3)</sup>	\$ (115,820)	\$ —	\$ (115,820)	\$ —
Long-term borrowings, including current portion, net (including liabilities associated with vessel held for sale) <sup>(1)</sup>	\$(1,938,829)	\$ —	\$(1,938,829)	\$ —

	Fair Value Measurements as at December 31, 2021			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 159,467	\$159,467	\$ —	\$ —
Restricted cash	\$ 9,979	\$ 9,979	\$ —	\$ —
Amounts due from related parties, long-term <sup>(2)</sup>	\$ 35,245	\$ —	\$ 35,245	\$ —
Amounts due to related parties, short-term <sup>(3)</sup>	\$ (64,204)	\$ —	\$ (64,204)	\$ —
Long-term borrowings, including current portion, net <sup>(1)</sup>	\$(1,374,445)	\$ —	\$(1,374,445)	\$ —

- (1) The fair value of the Company's debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.
- (2) The fair value of the Company's long-term receivable from related parties is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the counterparty's creditworthiness.
- (3) The fair value of the Company's short-term payable to related parties is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Company's creditworthiness.

The estimated fair value of our financial instrument that is measured at fair value on a non-recurring basis, is based on the concluded sales price and is categorized based upon the fair value hierarchy as follows:

	Fair Value Measurements at September 30, 2022			
	Total	Level I	Level II	Level III
Vessel held for sale (Navios Ulysses)	\$13,965	\$13,965	—	—

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

**NOTE 9 – 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.

On May 21, 2021, Navios Partners entered into a new Continuous Offering Program Sales Agreement (“\$110.0m Sales Agreement”) for the issuance and sale from time to time through its agent of common units having an aggregate offering price of up to \$110,000. As of each of September 30, 2021 and December 31, 2021, since the commencement of the \$110.0m Sales Agreement, Navios Partners had issued 3,963,249 units and received net proceeds of \$103,691, respectively. Pursuant to the issuance of the common units, as of each of September 30, 2021 and December 31, 2021, Navios Partners issued 80,883 general partnership units, respectively, to its General Partner in order to maintain its 2.0% ownership interest. As of each of September 30, 2021 and December 31, 2021, the net proceeds from the issuance of the general partnership units were approximately \$2,172. No additional sales were made subsequent to December 31, 2021 or will be made under this program.

**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 9, 2021, Navios Partners entered into a Continuous Offering Program Sales Agreement (“\$75.0m Sales Agreement”) for the issuance and sale from time to time through its agent of common units having an aggregate offering price of up to \$75,000. As of each of September 30, 2021 and December 31, 2021, since the commencement of the \$75.0m Sales Agreement, Navios Partners had issued 2,437,624 units and received net proceeds of \$73,117. Pursuant to the issuance of the common units, as of each of September 30, 2021 and December 31, 2021, Navios Partners issued 49,747 general partnership units to its General Partner in order to maintain its 2.0% ownership interest. As of each of September 30, 2021 and December 31, 2021, the net proceeds from the issuance of the general partnership units were approximately \$1,530. No additional sales were made subsequent to December 31, 2021 or will be made under this program.

On November 18, 2016, Navios Partners entered into a Continuous Offering Program Sales Agreement for the issuance and sale from time to time through its agent of common units having an aggregate offering price of up to \$25,000. An amended Sales Agreement was entered into on August 3, 2020. As of each of September 30, 2021 and December 31, 2021, since the date of the amended Sales Agreement, Navios Partners had issued 1,286,857 units and received net proceeds of \$23,918. Pursuant to the issuance of the common units, as of each of September 30, 2021 and December 31, 2021, Navios Partners issued 26,265 general partnership units to its general partner in order to maintain its 2.0% ownership interest. As of each of September 30, 2021 and December 31, 2021, the net proceeds from the issuance of the general partnership units were \$501. No additional sales were made subsequent to December 31, 2021 or will be made under this program.

Pursuant to the terms of the NMCI Merger Agreement, each outstanding common unit of Navios Containers that was held by a unitholder other than Navios Partners, Navios Containers and their respective subsidiaries was converted into the right to receive 0.39 of a common unit of Navios Partners. As a result of the NMCI Merger, 8,133,452 common units of Navios Partners were issued to former public unitholders of Navios Containers. Pursuant to the issuance of the common units, Navios Partners issued 165,989 general partner units, resulting in net proceeds of \$3,911 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

Pursuant to the terms of the NNA Merger Agreement, each outstanding common unit of Navios Acquisition that was held by a stockholder other than Navios Partners, was converted into the right to receive 0.1275 of a common unit of Navios Partners. As a result of the NNA Merger, 3,388,226 common units of Navios Partners were issued to former public stockholders of Navios Acquisition. Pursuant to the issuance of the common units, Navios Partners issued 69,147 general partner units, resulting in net proceeds of \$1,893 (see Note 3 – Acquisition of Navios Containers and Navios Acquisition).

The effect of compensation expense arising from the restricted common units granted in December 2019 and 2018 and February 2019, amounted to \$40 and \$122 for the three and nine month periods ended September 30, 2022, respectively, and was presented under the caption “General and administrative expenses” in the condensed Consolidated Statements of Operations.

The effect of compensation expense arising from the restricted common units granted in each of December 2019, 2018 and 2017 and February 2019, amounted to \$136 and \$370 for the three and nine month periods ended September 30, 2021, respectively, and was presented under the caption “General and administrative expenses” in the condensed Consolidated Statements of Operations.

As of September 30, 2022, the estimated compensation cost related to service conditions of non-vested restricted common units granted in 2018 and 2019 not yet recognized was \$34.

During the third quarter of 2022, the Company forfeited 12,699 unvested restricted common units and cancelled 259 general partnership units. As of September 30, 2022 and December 31, 2021, there were 30,217 and 42,916, respectively, restricted common units outstanding that remained unvested.

#### **NOTE 10 – SEGMENT INFORMATION**

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

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

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

#### **Revenue by Geographic Region**

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

	Three Month Period ended September 30, 2022	Three Month Period ended September 30, 2021	Nine Month Period ended September 30, 2022	Nine Month Period ended September 30, 2021
Asia	\$ 205,155	\$ 137,649	\$ 526,399	\$ 262,590
Europe	92,401	74,376	243,364	146,840

North America	<u>24,831</u>	<u>15,932</u>	<u>69,902</u>	<u>35,599</u>
<b>Total</b>	<u><u>\$ 322,387</u></u>	<u><u>\$ 227,957</u></u>	<u><u>\$ 839,665</u></u>	<u><u>\$ 445,029</u></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)

**NOTE 11 – INCOME TAXES**

The Republic of the Marshall Islands does not impose a tax on international shipping income. Under the laws of Marshall Islands, Liberia, Cayman Islands, Hong Kong, British Virgin Islands, Panama and Belgium, the countries of the vessel-owning subsidiaries' incorporation and/or vessels' registration, the vessel-owning subsidiaries are subject to registration and tonnage taxes, which have been included in vessel operating 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 1146 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 12 – COMMITMENTS AND CONTINGENCIES**

Navios Partners is involved in various disputes and arbitration proceedings arising in the ordinary course of business. Provisions have been recognized in the financial statements for all such proceedings where Navios Partners believes that a liability may be probable, and for which the amounts are reasonably estimable, based upon facts known at the date the financial statements were prepared. Management believes the ultimate disposition of these matters will be immaterial individually and in the aggregate to Navios Partners' financial position, results of operations or liquidity.

In November 2017, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract, from an unrelated third party, the Navios Libra, a newbuilding Panamax vessel of 82,011 dwt, delivered on July 24, 2019. Navios Partners agreed to pay in total \$5,540, representing a deposit for the option to acquire the vessel after the end of the fourth year, of which the first half of \$2,770 was paid during the year ended December 31, 2017 and the second half of \$2,770 was paid during the year ended December 31, 2018. As of September 30, 2022, the total amount of \$6,434, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

On October 18, 2019, Navios Partners agreed to bareboat charter-in, under a ten-year bareboat contract each, from an unrelated third party, the Navios Amitie and the Navios Star, two newbuilding Panamax vessels of 82,002 dwt and 81,994 dwt, respectively. The vessels were delivered in Navios Partner's fleet on May 28, 2021 and June 10, 2021, respectively. Navios Partners has the option to acquire the vessels after the end of the fourth year for the remaining period of the bareboat charters. Navios Partners had agreed to pay in total \$12,328, representing a deposit for the option to acquire the vessels after the end of the fourth year, of which \$1,434 was paid during the year ended December 31, 2019, \$10,034 was paid during the year ended December 31, 2020, and the remaining amount of \$860 was paid upon the delivery of the vessels. As of September 30, 2022, the total amount of \$13,612, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

On January 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract each, from an unrelated third party, three newbuilding Capesize vessels of approximately 180,000 dwt each. Navios Partners has the options to acquire the vessels after the end of year four for the remaining period of the bareboat charters. Navios Partners agreed to pay in total \$10,500, representing a deposit for the options to acquire the vessels after the end of the fourth year, of which \$5,250 was paid in August 2021 and the remaining amount of \$5,250 will be paid upon the delivery of the vessels. On September 21, 2022, Navios Partners took delivery of the Navios Armonia. The remaining vessels are expected to be delivered into Navios Partners' fleet during the fourth quarter of 2022 and first half of 2023. As of September 30, 2022, the total amount of \$3,840, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

On March 25, 2021, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total \$3,500, representing a deposit for the option to acquire the vessel after the end of the fourth year of which \$1,750 was paid in August 2021 and the remaining amount of \$1,750 will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the first half of 2023. As of September 30, 2022, the total amount of \$1,849, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

On July 2, 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships, from an unrelated third party, for a purchase price of \$61,600 each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2023 and first half of 2024. Navios Partners agreed to pay in total \$18,480 in three installments for each vessel and the remaining amount of \$43,120 for each vessel plus extras will be paid upon delivery of the vessel. On August 13, 2021, the first installment of each vessel of \$6,160, or \$24,640 accumulated for the four vessels, was paid. In May

2022, the aggregate amount of \$12,320 in relation to the second instalment for two vessels, was paid. As of September 30, 2022, the total amount of \$36,960 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. The vessels are expected to be delivered into Navios Partners’ fleet during the second half of 2024. Navios Partners agreed to pay in total \$18,480 in three installments for each vessel and the remaining amount of \$43,120 for each vessel plus extras will be paid upon delivery of the vessel. On November 15, 2021, the first installment of each vessel of \$6,160, or \$12,320 accumulated for the two vessels, was paid. As of September 30, 2022, the total amount of \$12,320 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)

In November 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships (two plus two optional), from an unrelated third party, for a purchase price of \$62,825 each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2023 and in 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. In the first quarter of 2022, the aggregate amount of \$12,565 in relation to the first installment for two vessels, was paid. In the second quarter of 2022, the aggregate amount of \$18,848 in relation to the first installment for two vessels and the second installment of one vessel, was paid. In the third quarter of 2022, the amount of \$6,282 in relation to the second installment of one vessel, was paid. As of September 30, 2022, the total amount of \$37,695 is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

Pursuant to a novation agreement dated January 28, 2022, the Company agreed to novate the shipbuilding contract and to simultaneously enter into a bareboat charter agreement to bareboat charter-in a newbuilding Panamax vessel, under a ten-year bareboat contract, from an unrelated third party. The vessel has approximately 81,000 dwt and is expected to be delivered into Navios Partners' fleet during the first half of 2023. Navios Partners agreed to pay in total \$6,860, of which \$3,430 was paid in July 2021 and the remaining amount of \$3,430 was paid in April 2022. In January 2022, Navios Partners declared its option to purchase the vessel. The Company-lessee has performed an assessment based on provisions of ASC 842 and concluded that it controls the underlying asset that is under construction before the commencement date of the lease. Consequently, as of September 30, 2022, the Company has capitalized the installments paid by the owner-lessor to the yard, amounted to \$3,430 and recognized an equal amount liability presented under the caption "Other long-term liabilities" in the condensed Consolidated Balance Sheets. As of September 30, 2022, the total amount of \$10,290 (including installments of \$3,430 paid by the owner-lessor to the yard) 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 for a purchase price of \$58,500 each (plus \$4,158 in additional features). The vessels are expected to be delivered into Navios Partners' fleet during 2024 and the first quarter of 2025. Navios Partners agreed to pay in total \$23,400 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. In the third quarter of 2022, the first installment of each vessel of \$6,266, or \$25,063 accumulated for the four vessels, was paid. As of September 30, 2022, the total amount of \$25,063 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 liquified natural gas (LNG) dual fuel 7,700 TEU containerships, from an unrelated third party, for a purchase price of \$120,610 each. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2024. Navios Partners agreed to pay in total \$48,244 in four installments for each vessel and the remaining amount of \$72,366 for each vessel will be paid upon delivery of the vessel.

In September, 2022, Navios Partners agreed to bareboat charter-in, under a 15-year bareboat contract, from an unrelated third party, one newbuilding Capesize vessel, of approximately 180,000 dwt. Navios Partners has the option to acquire the vessel after the end of year four for the remaining period of the bareboat charter. Navios Partners agreed to pay in total \$3,500, representing a deposit for the option to acquire the vessel after the end of the fourth year of which \$1,750 was paid in September 2022 and the remaining amount of \$1,750 will be paid upon the delivery of the vessel. The vessel is expected to be delivered by the first half of 2023. As of September 30, 2022, the total amount of \$1,754, including expenses, is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

In September 2022, Navios Partners agreed to acquire one 2016-built Kamsarmax vessel of 84,852 dwt for a purchase price of \$27,250. In the third quarter of 2022, the amount of \$2,725 in relation to the first installment of the vessel, was paid and the remaining amount of \$24,525 will be paid upon delivery of the vessel. The vessel is expected to be delivered in December 2022. As of September 30, 2022, the total amount of \$2,725, is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

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

In September 2018, Navios Acquisition agreed to a 12-year bareboat charter-in agreement with de-escalating purchase options for the Baghdad and Erbil, two newbuilding Japanese VLCCs of 313,433 dwt and 313,486 dwt, respectively. On October 28, 2020, Navios Acquisition took delivery of the Baghdad. On February 17, 2021, Navios Acquisition took delivery of the Erbil. As of September 30, 2022, the total amount of \$2,498 is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

In the first quarter of 2019, Navios Acquisition exercised its option to a 12-year bareboat charter-in agreement with de-escalating purchase options for the Nave Electron, a newbuilding Japanese VLCC of 313,239 dwt. On August 30, 2021, Navios Partners took delivery of the Nave Electron. As of September 30, 2022, the total amount of \$1,981 is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

In the second quarter of 2020, Navios Acquisition exercised its option for the Nave Celeste, a newbuilding Japanese VLCC of 313,418 dwt under a 12-year bareboat charter agreement with de-escalating purchase options. On July 5, 2022, Navios Partners took delivery of the Nave Celeste. As of September 30, 2022, the total amount of \$1,591 is presented under the caption "Other long-term assets" in the condensed Consolidated Balance Sheets.

As of September 30, 2022, an amount of \$8,846 related to initial direct costs is presented under the caption "Deposits for vessels acquisitions" in the condensed Consolidated Balance Sheets.

As of September 30, 2022, the Company's future minimum lease commitments under the Company's charter-in contracts for undelivered vessels, are as follows:

<u>Period ending September 30,</u>	<u>Amount</u>
2023	9,669
2024	17,531
2025	17,484

2026	17,484
2027	17,484
2028 and thereafter	182,794
<b>Total</b>	<b><u>\$262,446</u></b>

**NOTE 13 – 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. Vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) \$4.35 daily rate per Ultra-Handymax Vessel; (b) \$4.45 daily rate per Panamax Vessel; (c) \$5.41 daily rate per Capesize Vessel; and (d) \$6.90 daily rate per Containership of TEU 6,800. In December 2019, the Management Agreement was further amended to include from January 1, 2020, a \$6.1 daily rate per Sub-Panamax/Panamax Containership.

**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)

Following the completion of the NMCI Merger, the fleet of Navios Containers is included in Navios Partners' owned fleet and continued to be operated by the Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the terms of the Navios Containers' management agreement with the Manager (the "NMCI Management Agreement"), vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) \$6.22 daily rate per Containership of TEU 3,000 up to 4,999; (b) \$7.78 daily rate per Containership of TEU 8,000 up to 9,999; and (c) \$8.27 daily rate per Containership of TEU 10,000 up to 11,999.

Upon acquisition of the majority of outstanding stock of Navios Acquisition, the fleet of Navios Acquisition is included in Navios Partners' owned fleet and continued to be operated by Tankers Manager (see Note 3 – Acquisition of Navios Containers and Navios Acquisition). As per the terms of Navios Acquisition's management agreement with Tankers Manager (the "NNA Management Agreement" and together with the Management Agreement and the NMCI Management Agreement, the "Management Agreements"), vessel operating expenses were fixed for two years commencing from January 1, 2020 at: (a) \$6.83 per day per MR2 and MR1 product tanker and chemical tanker vessel; (b) \$7.23 per day per LR1 product tanker vessel; and (c) \$9.65 per day per VLCC.

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

Following completion of the Mergers, the Managers provided commercial and technical management services to Navios Partners' vessels until December 31, 2021 for a daily fee of: (a) \$4.35 per Ultra-Handymax Vessel; (b) \$4.45 per Panamax Vessel; (c) \$5.41 per Capesize Vessel; (d) \$6.1 per Containership of TEU 1,300 up to 3,400; (e) \$6.22 per Containership of TEU 3,450 up to 4,999; (f) \$6.9 per Containership of TEU 6,800; (g) \$7.78 per Containership of TEU 8,000 up to 9,999; (h) \$8.27 per Containership of TEU 10,000 up to 11,999; (i) \$6.83 per MR2 and MR1 product tanker and chemical tanker vessel; (j) \$7.23 per LR1 product tanker vessel; and (k) \$9.65 per VLCC. Commencing from January 1, 2022 vessel operating expenses are fixed for one year 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.

Pursuant to the acquisition of the 36-vessel drybulk fleet, 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 fees charged for the full calendar year (for Navios Partners, Navios Containers and Navios Acquisition) preceding the termination date in the event the agreements are terminated on or before December 31, 2024.

Drydocking expenses are reimbursed at cost for all vessels.

During the nine month periods ended September 30, 2022 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under Company's Management Agreement, amounted to \$12,157, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the condensed Consolidated Statements of Cash Flows. During the nine month periods ended September 30, 2021 certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation and exhaust gas cleaning system installation under Company's Management Agreement, amounted to \$8,127, and are presented under the caption "Acquisition of/ additions to vessels, net of cash acquired" in the condensed Consolidated Statements of Cash Flows.

During the three and nine month periods ended September 30, 2022, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$3,395 and \$8,692, respectively, and are presented under the caption of "Direct vessel expenses" in the condensed Consolidated Statements of Operations. During each of the three and nine month periods ended September 30, 2021, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$3,468 are presented under the caption of "Direct vessel expenses" in the condensed Consolidated Statements of Operations. During each of the three and nine month periods ended September 30, 2021, certain extraordinary fees and costs related to COVID-19 measures for prior periods, including crew related expenses, amounted to \$2,034 are presented under the caption of "Other expense, net" in the condensed Consolidated Statements of Operations.

Total vessel operating expenses for the three and nine month periods ended September 30, 2022 amounted to \$78,928 and \$226,089, respectively. Total vessel operating expenses for the three and nine month periods ended September 30, 2021 amounted to \$53,952 and \$118,685, respectively.

**General and administrative expenses:** Pursuant to the administrative services agreement (the "Administrative Services Agreement"), the Manager also provides administrative services to Navios Partners, which include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and investor relations and other. Under the Administrative Services Agreement, which provide for allocable general and administrative costs, the Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. In August 2019, Navios Partners extended the duration of its existing Administrative Services Agreement with the Manager until January 1, 2025, to be automatically renewed for another five years. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date in the event the Administrative Services Agreement is terminated on or before December 31, 2024.

Total general and administrative expenses charged by the Manager for the three and nine month periods ended September 30, 2022 amounted to \$11,766 and \$32,289, respectively. Total general and administrative expenses charged by the Manager for the three and nine month periods ended September 30, 2021 amounted to \$7,605 and \$17,403, respectively.

**Balance due from/ (to) related parties:** Balance due from related parties, long term as of September 30, 2022 and December 31, 2021 amounted to \$42,083 and \$35,245, respectively. Balance due to related parties, short-term as of September 30, 2022 and December 31, 2021 amounted to \$115,820 and \$64,204, respectively, and mainly consisted of payables to the Managers. The balances mainly consisted of administrative fees, drydocking,

extraordinary fees and costs related to regulatory requirements including ballast water treatment system, other expenses, as well as fixed vessel operating expenses, in accordance with the Management Agreements.

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

**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)

**Acquisition of vessels:**

**2022**

On July 26, 2022, the Company entered into a share purchase agreement to acquire a 36-vessel drybulk fleet for a purchase price of \$835,000 including the assumption of bank liabilities, bareboat obligations and finance leasing obligations, subject to debt and working capital adjustments, from Navios Holdings. On July 29, 2022, 15 of the 36 vessels were delivered to Navios Partners. On September 8, 2022, the remaining 21 vessels were delivered to Navios Partners.

**2021**

On July 9, 2021, Navios Partners acquired the Navios Azimuth, a 2011-built Capesize vessel of 179,169 dwt, from its affiliate, Navios Holdings, for an acquisition cost of \$30,003 (including \$3 capitalized expenses).

On June 30, 2021, Navios Partners acquired the Navios Ray, a 2012-built Capesize vessel of 179,515 dwt and the Navios Bonavis, a 2009-built Capesize vessel of 180,022 dwt, from its affiliate, Navios Holdings, for an aggregate purchase price of \$58,000.

On June 4, 2021, Navios Partners acquired the Navios Koyo, a 2011-built Capesize vessel of 181,415 dwt, from its affiliate, Navios Holdings, for a purchase price of \$28,567 (including \$67 capitalized expenses).

On May 10, 2021, Navios Partners acquired the Ete N, a 2012-built Containership of 2,782 TEU, the Fleur N, a 2012-built Containership of 2,782 TEU and the Spectrum N, a 2009-built Containership of 2,546 TEU from Navios Acquisition, for an aggregate purchase price of \$55,500.

Following the completion of the NMCI Merger on March 31, 2021, the 29-vessel fleet of Navios Containers was included in Navios Partners' owned fleet.

On March 30, 2021, Navios Partners acquired the Navios Avior, a 2012-built Panamax vessel of 81,355 dwt, and the Navios Centaurus, a 2012-built Panamax vessel of 81,472 dwt, from Navios Holdings, for an acquisition cost of \$39,320 (including \$70 capitalized expenses), including working capital balances of \$(5,766).

**Navios Acquisition Credit Facility:** On August 24, 2021, Navios Partners and Navios Acquisition entered into a loan agreement under which Navios Partners agreed to make available to Navios Acquisition a working capital facility of up to \$45,000. The full amount of the facility was drawn. The facility bore interest at the rate of 11.50% per annum. The full amounts borrowed, including accrued interest, were repaid in August 2022. As of December 31, 2021, the outstanding balance of \$45,000 was eliminated upon consolidation.

**Loan payable to affiliated company:** On March 19, 2021, Navios Acquisition entered into a secured loan agreement with a subsidiary of N Shipmanagement Acquisition Corp. ("NSM"), an entity affiliated with Navios Acquisition's Chairwoman and Chief Executive Officer, for a loan of up to \$100,000 to be used for general corporate purposes (the "NSM Loan Agreement"). The loan would be repayable in two years and bore interest at a rate of 11% per annum, payable quarterly.

In August 2021, Navios Acquisition entered into a supplemental agreement (the "Supplemental Loan Agreement") to amend the NSM Loan Agreement. The Supplemental Loan Agreement provided for: (i) the issuance of 8,823,529 newly-issued shares of common stock of Navios Acquisition in settlement of \$30,000 of the outstanding balance of the NSM Loan Agreement and (ii) the repayment of \$35,000 of the outstanding balance of the NSM Loan Agreement in cash as of the date of the Supplemental Loan Agreement and the repayment in cash on January 7, 2022 of the remainder of the outstanding balance of the NSM Loan Agreement, of approximately \$33,112.

On December 23, 2021, the outstanding amount of \$33,112 was repaid. As of September 30, 2022, there was no outstanding balance of the NSM Loan Agreement. Upon completion of the NNA Merger, the newly-issued shares of common stock of Navios Acquisition were converted into common units of Navios Partners on the same terms applicable to other outstanding shares of common stock of Navios Acquisition.

**NOTE 14 – 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:

	<u>Total Quarterly Distribution Target Amount</u>	<u>Marginal Percentage Interest in Distributions</u>		
		<u>Common Unitholders</u>	<u>Incentive Distribution Right Holder</u>	<u>General Partner</u>
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 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2020 of \$0.05 per unit. The distribution was paid on February 12, 2021 to all unitholders of common units and general partner units of record as of February 9, 2021. The aggregate amount of the declared distribution was \$579.

In April 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2021 of \$0.05 per unit. The distribution was paid on May 14, 2021 to all unitholders of common units and general partner units of record as of May 11, 2021. The aggregate amount of the declared distribution was \$1,127.

**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 July 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2021 of \$0.05 per unit. The distribution was paid on August 12, 2021 to all unitholders of common units and general partner units of record as of August 9, 2021. The aggregate amount of the declared distribution was \$1,368.

In October 2021, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2021 of \$0.05 per unit. The distribution was paid on November 12, 2021 to all unitholders of common units and general partner units of record as of November 8, 2021. The aggregate amount of the declared distribution was \$1,541.

In January 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended December 31, 2021 of \$0.05 per unit. The distribution was paid on February 11, 2022 to all unitholders of common units and general partner units of record as of February 9, 2022. The aggregate amount of the declared distribution was \$1,541.

In April 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended March 31, 2022 of \$0.05 per unit. The distribution was paid on May 12, 2022 to all unitholders of common units and general partner units of record as of May 9, 2022. The aggregate amount of the declared distribution was \$1,541.

In July 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2022 of \$0.05 per unit. The distribution was paid on August 12, 2022 to all unitholders of common units and general partner units of record as of August 9, 2022. The aggregate amount of the declared distribution was \$1,541.

In October 2022, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended September 30, 2022 of \$0.05 per unit. The distribution was paid on November 10, 2022 to all unitholders of common units and general partner units of record as of November 8, 2022. The aggregate amount of the declared distribution was \$1,541.

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 partner units on a 98%-2% basis. There were no options or phantom units outstanding during each of the nine month periods ended September 30, 2022 and 2021.

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

	<u>Three Month Period Ended</u>		<u>Nine Month Period Ended</u>	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Net income attributable to Navios Partners' unitholders	\$ 257,164	\$ 162,054	\$ 460,989	\$ 398,646
Income attributable to:				
Common unitholders	\$ 252,021	\$ 158,813	\$ 451,770	\$ 390,673
Weighted average units outstanding basic				
Common unitholders	30,154,171	26,622,612	30,154,171	20,270,251
Earnings per unit basic:				
Common unitholders	\$ 8.36	\$ 5.97	\$ 14.98	\$ 19.27
Weighted average units outstanding diluted				
Common unitholders	30,184,388	26,708,962	30,184,388	20,356,601
Earnings per unit diluted:				
Common unitholders	\$ 8.35	\$ 5.95	\$ 14.97	\$ 19.19
Earnings per unit distributed basic:				
Common unit holders	\$ 0.05	\$ 0.05	\$ 0.15	\$ 0.15
Earnings per unit distributed diluted:				
Common unitholders	\$ 0.05	\$ 0.05	\$ 0.15	\$ 0.15

Potential common units of 30,217 and 86,350 for the nine month periods ended September 30, 2022 and 2021, respectively, are included in the calculation of earnings per unit diluted.

**NOTE 15 – 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**

On July 24, 2019, Navios Partners took delivery of the Navios Libra, a 2019-built Panamax vessel of 82,011 dwt, for a ten-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and an operating lease right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.



On May 28, 2021 and June 10, 2021, Navios Partners took delivery of the Navios Amitie and the Navios Star, two 2021-built Panamax vessels of 82,002 dwt and 81,994 dwt, respectively. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

**NAVIOS 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)

Upon acquisition of the majority of outstanding stock of Navios Acquisition, Navios Partners took delivery of two 12-year bareboat charter-in vessels, with de-escalating purchase options, the Baghdad, a 2020-built Japanese VLCC of 313,433 dwt and the Erbil, a 2021-built Japanese VLCC of 313,486 dwt. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

On August 30, 2021, Navios Partners took delivery of the Nave Electron, a 2021-built VLCC vessel of 313,329 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. The Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

On July 5, 2022, Navios Partners took delivery of the Nave Celeste, a 2022-built VLCC vessel of 313,418 dwt, for a 12-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the arrangement is an operating lease. Consequently, the Company has recognized an operating lease liability based on the net present value of the remaining charter-in payments and an operating lease right-of-use asset at an amount equal to the operating liability adjusted for the carrying amount of the straight-line liability.

Following the acquisition of 36-vessel drybulk fleet from Navios Holdings, Navios Partners recognized the following operating leases:

On July 29, 2022, Navios Partners took delivery of the Navios Horizon I, a 2019-built Panamax vessel of 81,692 dwt for a remaining one-year charter-in agreement, the Navios Gemini, a 2018-built Panamax vessel of 81,704 dwt for a remaining one-year charter-in agreement, the Navios Venus, a 2015-built Handymax vessel of 61,339 dwt for a remaining two-year charter-in, and the Navios Lyra, a 2012-built Handysize vessel of 34,718 dwt, for a remaining one-year charter-in agreement, all with de-escalating purchase options. The Company has performed assessments considering the lease classification criteria under ASC 842 and concluded that the arrangements are operating leases. Consequently, the Company has recognized for each vessel an operating lease liability based on the net present value of the remaining charter-in payments and a right-of-use asset at an amount equal to the operating liability, increased with the allocated excess value, adjusted for (i) the carrying amount of the straight-line effect of the liability (if any) and (ii) the favorable and unfavorable lease terms derived from the charter-in agreements.

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

As of September 30, 2022 and December 31, 2021, the unamortized balance of the operating lease liability amounted \$321,261 and \$243,804, 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 \$335,809 and \$244,337 as at September 30, 2022 and December 31, 2021, 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 nine month periods ended September 30, 2022 amounted to \$16,815, and \$32,134, respectively. Lease expense incurred and paid for the three and nine month periods ended September 30, 2021 amounted to \$3,616 and \$4,970, respectively. Lease expense is presented under the caption "Time charter and voyage expenses" in the condensed Consolidated Statements of Operations.

For the three and nine month periods ended September 30, 2022, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$25,636 and \$59,935, respectively. For the three and nine month periods ended September 30, 2021, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$12,865 and \$17,754, respectively. Sublease income is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

As of September 30, 2022, the weighted average useful life of the remaining operating lease terms was 9.7 years.

The table below provides the total amount of lease payments on an undiscounted basis on the Company's chartered-in contracts as of September 30, 2022:

Period ending September 30,	<u>Amount</u>
2023	\$ 57,779
2024	47,315
2025	39,427
2026	38,339
2027 and thereafter	233,460
<b>Total</b>	<b>\$416,320</b>
<b>Operating lease liabilities, including current portion</b>	<b>\$321,261</b>
<b>Discount based on incremental borrowing rate</b>	<b>\$ 95,059</b>

### Finance Leases

For a detailed description of the finance lease liabilities and right-of-use assets for vessels under finance leases, refer to Note 7 – Borrowings, and Note 5 – Vessels, net, respectively.

For each of the three and nine month periods ended September 30, 2022, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$18,047. For each of the three and nine month periods ended September 30, 2021, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$0. Sublease income is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

As of September 30, 2022, the weighted average useful life of the remaining finance lease terms was 5.6 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 on an undiscounted basis under the Company's finance leases as of September 30, 2022:

Period ending September 30,	Amount
2023	\$ 80,772
2024	74,130
2025	108,694
2026	19,167
2027 and thereafter	172,394
<b>Total</b>	<b>\$455,157</b>
<b>Finance lease liabilities, including current portion (see Note 7 – Borrowings)</b>	<b>\$356,507</b>
<b>Discount based on incremental borrowing rate</b>	<b>\$ 98,650</b>

**Bareboat charter-out contract**

Subsequently to the charter-in agreement, the Company entered into bareboat charter-out agreements for a firm charter period of 10-years for the Baghdad and the Erbil and an extra optional period of five years, for both vessels, and for a firm period of up to two-years for the Nave Celeste. The Company performed also an assessment of the lease classification under the ASC 842 and concluded that the arrangements are operating leases.

The Company recognizes in relation to the operating leases for the charter-out agreements the charter-out hire income in the condensed Consolidated Statements of Operations on a straight-line basis. For the three and nine month periods ended September 30, 2022, the charter hire income (net of commissions, if any) amounted to \$7,833 and \$18,265, respectively, and it is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

**NOTE 16 – PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consist of the following:

	September 30, 2022	December 31, 2021
Prepaid voyage costs	\$ 12,366	\$ 2,829
Inventories	34,264	21,072
Claims receivable	11,434	5,568
Other	7,433	3,651
<b>Total prepaid expenses and other current assets</b>	<b>\$ 65,497</b>	<b>\$ 33,120</b>

Claims receivable mainly represent claims against vessels' insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts.

**NOTE 17 – SUBSEQUENT EVENTS**

On December 1, 2022, Navios Partners agreed to sell the Star N, a 2009-built tanker vessel of 37,836 dwt, to an unrelated third party, for a sales price of \$18,100. The sale is expected to be completed in the first quarter of 2023.

In November 2022, Navios Partners entered into a \$24,000 sale and leaseback transaction, with an unrelated third party, in order to finance the acquisition of a Kamsarmax vessel. The sale and leaseback transaction matures ten years after the drawdown date and bears interest at LIBOR plus 200 bps per annum.

In November 2022, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding vessels for a purchase price of \$60,500 each (plus \$4,158 in additional features). The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2025. The closing of the transaction is subject to completion of customary documentation, including the issuance of refund guarantees.

On November 30, 2022, Navios Partners agreed to sell the Nave Dorado, a 2005-built tanker vessel of 47,999 dwt, to an unrelated third party, for a sales price of \$15,625. The sale is expected to be completed in the first quarter of 2023.

On November 24, 2022, Navios Partners agreed to sell the Perseus N, a 2009-built tanker vessel of 36,264 dwt, to an unrelated third party, for a sales price of \$18,500. The sale is expected to be completed in the fourth quarter of 2022.

On November 17, 2022, Navios Partners took delivery of the Navios Azalea, a 2022-built Capesize vessel of 182,064 dwt.

On October 25, 2022, Navios Partners agreed to sell the Navios Alegria, a 2004-built Panamax vessel of 76,466 dwt, to an unrelated third party, for a sales price of \$11,000. The sale was completed on November 14, 2022.

On October 11, 2022, Navios Partners agreed to sell the Navios Symmetry, a 2006-built Panamax vessel of 74,381 dwt, to an unrelated third party, for a sales price of \$11,700. The sale was completed on October 25, 2022.

**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 2022, Navios Partners completed a \$100,000 sale and leaseback transaction, with an unrelated third party, in order to refinance the existing indebtedness of 12 Containerships. The sale and leaseback transaction matures in the first quarter of 2026 and bears interest at SOFR plus 210 bps per annum.

On December 5, 2022, Navios Partners agreed to sell the Nave Cosmos, a 2010-built tanker vessel of 25,130 dwt, to an unrelated third party, for a sales price of \$13,600. The sale is expected to be completed in the first quarter of 2023.

On December 5, 2022, Navios Partners agreed to sell the Nave Polaris, a 2011-built tanker vessel of 25,145 dwt, to an unrelated third party, for a sales price of \$14,650. The sale is expected to be completed in the first quarter of 2023.

---

[Table of Contents](#)

**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: December 7, 2022

**Dated September 30, 2022**

**\$86,240,000**

**TERM LOAN FACILITY**

**MELPOMENE SHIPPING CORPORATION and  
URANIA SHIPPING CORPORATION**  
as joint and several Borrowers

and

**THE BANKS AND FINANCIAL INSTITUTIONS**  
listed in Schedule 1  
as Lenders

and

**KFW IPEX-BANK GMBH**  
as Mandated Lead Arranger

and

**KFW IPEX-BANK GMBH**  
as Facility Agent

and

**KFW IPEX-BANK GMBH**  
as Security Agent

**FACILITY AGREEMENT**

relating to  
the financing of two 5,300 TEU container vessels

**WATSON FARLEY  
&  
WILLIAMS**



## Index

Clause	Page
Section 1 Interpretation	2
1 Definitions and Interpretation	2
Section 2 The Facility	27
2 The Facility	27
3 Purpose	27
4 Conditions of Utilisation	27
Section 3 Utilisation	29
5 Utilisation	29
Section 4 Repayment, Prepayment and Cancellation	31
6 Repayment	31
7 Prepayment and Cancellation	32
Section 5 Costs of Utilisation	37
8 Interest	37
9 Interest Periods	38
10 Changes to the Calculation of Interest	39
11 Fees	40
Section 6 Additional Payment Obligations	41
12 Tax Gross Up and Indemnities	41
13 Increased Costs	45
14 Other Indemnities	47
15 Mitigation by the Finance Parties	50
16 Costs and Expenses	51
Section 7 Joint and Several Liability of Borrowers	52
17 Joint and Several Liability of the Borrowers	52
Section 8 Representations, Undertakings and Events of Default	54
18 Representations	54
19 Information Undertakings	61
20 General Undertakings	65
21 Insurance Undertakings	72
22 Shipbuilding Contract Undertakings	77
23 Ship Undertakings	78
24 Security Cover	84
25 Accounts and Application of Earnings	86
26 Events of Default	87
Section 9 Changes to Parties	92
27 Changes to the Lenders	92
28 Changes to the Transaction Obligors	97
Section 10 The Finance Parties	98
29 The Facility Agent and the Mandated Lead Arranger	98
30 The Security Agent	109
31 Conduct of Business by the Finance Parties	124
32 Sharing among the Finance Parties	125
Section 11 Administration	127
33 Payment Mechanics	127
34 Set-Off	130
35 Bail-In	130
36 Notices	131

37	Calculations and Certificates	133
38	Partial Invalidation	133
39	Remedies and Waivers	133
40	Entire Agreement	134
41	Settlement or Discharge Conditional	134
42	Irrevocable Payment	134
43	Amendments and Waivers	134
44	Confidential Information	139
45	Confidentiality of Funding Rates	143
46	Counterparts	144
	Section 12 Governing Law and Enforcement	145
47	Governing Law	145
48	Enforcement	145
	<b>Schedules</b>	
	Schedule 1 The Parties	147
	Part A The Borrowers	147
	Part B The Original Lenders	148
	Part C The Servicing Parties	149
	Part D The Mandated Lead Arranger	150
	Schedule 2 Conditions Precedent	151
	Part A Conditions Precedent to Utilisation Request	151
	Part B Conditions Precedent to Utilisation	154
	Schedule 3 Utilisation Request	156
	Schedule 4 Form of Transfer Certificate	158
	Schedule 5 Form of Assignment Agreement	160
	Schedule 6 Timetables	163
	Schedule 7 Details of the Ships and other Definitions	164
	Schedule 8 Reference Rate Terms	165
	Schedule 9 Cumulative Compounded RFR Rate	168
	<b>Execution</b>	
	Execution Pages	169

## PARTIES

- (1) **MELPOMENE SHIPPING CORPORATION**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower (“**Borrower A**”)
- (2) **URANIA SHIPPING CORPORATION**, a corporation incorporated in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a borrower (“**Borrower B**”)
- (3) **THE BANKS AND THE FINANCIAL INSTITUTIONS** listed in Part B of Schedule 1 (*The Parties*) as lenders (the “**Original Lenders**”)
- (4) **KFW IPEX-BANK GMBH** as mandated lead arranger (the “**Mandated Lead Arranger**”)
- (5) **KFW IPEX-BANK GMBH** as agent of the other Finance Parties (the “**Facility Agent**”)
- (6) **KFW IPEX-BANK GMBH** as security agent for the Secured Parties (the “**Security Agent**”)

## BACKGROUND

The Lenders have agreed to make available to the Borrowers a post-delivery senior secured term loan facility to partly finance or, as the case may be, refinance the Contract Price of the Ships, which are under construction by the Builder for, and purchased by, each Borrower pursuant to the Shipbuilding Contract relevant to that Ship, divided into two Tranches as follows:

- (i) Tranche A in an aggregate amount of up to the lesser of (A) \$43,120,000 and (B) 70 per cent. of the Contract Price of Ship A; and
- (ii) Tranche B in an aggregate amount of up to the lesser of (A) \$43,120,000 and (B) 70 per cent. of the Contract Price of Ship B.

## OPERATIVE PROVISIONS

## SECTION 1

### INTERPRETATION

#### 1 DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

In this Agreement:

“**Account Bank**” means Hamburg Commercial Bank AG acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany 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 a borrowing of all or part of a Tranche 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.

“**Anti-Money Laundering Laws**” means any applicable laws or regulations in any jurisdictions in which a Borrower or the relevant member of the Group is located or doing business that relate to anti-money laundering or any predicate crime to money laundering.

“**Approved Brokers**” means any firm or firms of insurance brokers approved in writing by the Facility Agent (acting on the instructions of the Majority Lenders).

“**Approved Classification**” means, in relation to a Ship, as at the date of this Agreement, the classification in relation to that Ship specified in Schedule 7 (*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 7 (*Details of the Ships and other Definitions*) or any other classification society and who is a member of the International Association of Classification Societies (other than the China Classification Society and the Russian Maritime Registry of Shipping) approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders.

“**Approved Flag**” means, in relation to a Ship, the flag of Liberia, the Marshall Islands, Panama, Cayman Islands or such other flag approved in writing by the Facility Agent acting with the authorisation of the Lenders, such authorisation not to be unreasonably withheld and a reference to “the Approved Flag” shall be a reference to the flag under which that Ship is then flagged with the agreement of the Facility Agent acting with the authorisation of the Lenders, such authorisation not to be unreasonably withheld.

“**Approved Manager**” means, in relation to a Ship:

- (a) Navios Shipmanagement Inc., a corporation domesticated under the laws of the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as commercial and technical manager; and/or
- (b) any Affiliate of Navios Shipmanagement Inc. or of Mrs. Angeliki Frangou or any other person approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders, such authorisation not to be unreasonably withheld, as the commercial and technical manager of any Ship.

“**Approved Valuer**” means Arrow Sale and Purchase (UK) Limited, Braemar Seascope Shipping Limited, Clarkson Valuations Limited, Fearnleys AS, Simpson Spence Young Ltd, Galbraith’s Limited, Barry Rogliano Salles, Maersk Broker K/S, Howe Robinson, Vessels Value Limited (or any Affiliate of such person through which valuations are commonly issued) and any other firm or firms of independent sale and purchase shipbrokers agreed between the Facility Agent, acting with the authorisation of the Majority Lenders and the Borrowers.

“**Article 55 BRRD**” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“**Assignable Charter**” means any time charterparty, consecutive voyage charter or contract of affreightment in respect of a Ship of a duration (or capable of exceeding a duration) of 12 months or more or any bareboat charter entered into in accordance with Clauses 23.16 (*Restrictions on chartering, appointment of managers etc.*) and 23.19 (*Charterparty Assignment*).

“**Assignment Agreement**” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

“**Authorisation**” means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, legalisation or registration.

“**Availability Period**” means the period from and including the date of this Agreement to and including, in relation each Tranche, the earlier of (i) the Delivery Date of the relevant Ship, (ii) 26 September 2024 and (iii) the cancellation of the Shipbuilding Contract of the Ship relating to such Tranche.

“**Available Commitment**” means a Lender’s Commitment minus:

- (a) the amount of its participation in the outstanding Loan; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Advance that is due to be made on or before the proposed Utilisation Date.

“**Available Facility**” means the aggregate for the time being of each Lender’s Available Commitment.

“**Bail-In Action**” means the exercise of any Write-down and Conversion Powers.

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail in Legislation.

“**Balloon Instalments**” has the meaning given in Clause 6.1 (*Repayment of Loan*).

“**Borrower**” means Borrower A or Borrower B.

“**Builder**” means, together, (i) Jiangyin Xiagang Changjiang Shipbreaking Co., Ltd., a corporation organized and existing under the laws of the People’s Republic of China, having its registered address at No. 368 West Binjiang Road, Jiangyin City, Jiangsu Province, People’s Republic of China and (ii) Zhoushan Changhong International Shipyard Co., Ltd., a corporation organised and existing under the laws of the People’s Republic of China, having its registered office at No. 19 Chuangyuan Avenue, Dinghai Industrial Park, Zhoushan City, Zhejiang Province, People’s Republic of China.

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Frankfurt am Main, Athens, Hamburg and New York and in relation to Clause 5.6 (*Payments*), the People’s Republic of China, and in relation to:

- (a) any date for payment or purchase of an amount relating to the Loan, any part of the Loan or Unpaid Sum; or
- (b) the determination of the first day or the last day of an Interest Period for the Loan, any part of the Loan or Unpaid Sum, or otherwise in relation to the determination of the length of such an Interest Period,

which is an Additional Business Day relating to the Loan, that part of the Loan or Unpaid Sum.

“**Central Bank Rate**” has the meaning given to that term in the Reference Rate Terms.

“**Central Bank Rate Adjustment**” has the meaning given to that term in the Reference Rate Terms.

“**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 (including without limitation, any Initial Charter and an Assignable Charter).

“**Charter Guarantee**” means any guarantee, bond, letter of credit or other instrument (whether or not already issued) supporting a Charter.

“**Charterparty Assignment**” means, in relation to an Assignable Charter, a first priority assignment of the rights of the relevant Borrower under that Assignable Charter and any related Charter Guarantee executed or to be executed by that Borrower in favour of the Security Agent in agreed form.

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

“**Commitment**” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Commitment” in Part B of Schedule 1 (*The Parties*) and the amount of any other Commitment transferred to it under this Agreement; and
  - (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement,
- to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Compounded Reference Rate**” means, in relation to any Interest Period of the Loan or any part of the Loan, the percentage rate per annum which is the Cumulative Compounded RFR Rate for that Interest Period.

“**Compounding Methodology Supplement**” means, in relation to the Cumulative Compounded RFR Rate, a document which:

- (a) is agreed in writing by the Borrowers, the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of Majority Lenders);
- (b) specifies a calculation methodology for that rate; and
- (c) has been made available to the Borrowers and each Finance Party.

“**Confidential Information**” means all information relating to any Transaction Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
  - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 44 (*Confidential Information*); or



- (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
  - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; or
  - (D) in relation to the Guarantor such information as the Guarantor is entitled to disclose by rules and regulations of the SEC and any US Stock Exchange applicable to the Guarantor; and
- (ii) any Funding Rate.

“**Confidentiality Undertaking**” means a confidentiality undertaking in substantially the appropriate form recommended by the LMA from time to time or in any other form agreed between the Borrowers and the Facility Agent.

“**Contract Price**” means the price payable for each Ship under Article II (*contract price & terms of payment*) of the relevant Shipbuilding Contract, plus any other amounts further to adjustment as provided in Article V (*modification, changes and extras*) of the relevant Shipbuilding Contract.

“**Corresponding Debt**” means any amount, other than any Parallel Debt, which a Borrower owes to a Secured Party under or in connection with the Finance Documents.

“**Cumulative Compounded RFR Rate**” means, in relation to an Interest Period for the Loan or any part of the Loan, the percentage rate per annum determined by the Facility Agent (or by any other Finance Party which agrees to determine that rate in place of the Facility Agent) in accordance with the methodology set out in Schedule 9 (*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.

“**Default**” means an Event of Default or a Potential Event of Default.

“**Delegate**” means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

“**Delivery Date**” means, in relation to a Ship, the date on which that Ship is delivered by the Builder to the relevant Borrower under the relevant Shipbuilding Contract.

“**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 pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

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

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the LMA from time to time.

“**EU Ship Recycling Regulation**” means Regulation (EU) No 1257/2013 of the European Parliament and of the Council of 20 November 2013 on ship recycling and amending Regulation (EC) No 1013/2006 and Directive 2009/16/EC.

“**Event of Default**” means any event or circumstance specified as such in Clause 26 (*Events of Default*).

“**Facility**” means the term loan facility made available under this Agreement as described in Clause 2 (*The Facility*).

“**Facility Office**” means the office or offices notified by a Lender to the Facility Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than 5 Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“**FATCA**” means:

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

“**FATCA Application Date**” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

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

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

“**Fee Letter**” means any letter or letters dated on or about the date of this Agreement between any of the Mandated Lead Arranger, the Facility Agent, the Security Agent and any Obligor setting out any of the fees referred to in Clause 11 (*Fees*).

“**Finance Document**” means:

- (a) this Agreement;
- (b) any Fee Letter;
- (c) the Guarantee;
- (d) each Utilisation Request;
- (e) any Reference Rate Supplement;
- (f) any Compounding Methodology Supplement;
- (g) any Security Document;
- (h) any Manager’s Undertaking;
- (i) any other document which is executed for the purpose of establishing any priority or subordination arrangement in relation to the Secured Liabilities; or
- (j) any other document designated as such by the Facility Agent and the Borrowers.

“**Finance Party**” means the Facility Agent, the Security Agent, the Mandated Lead Arranger or a Lender.

“**Financial Indebtedness**” means any indebtedness for or in relation to:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in relation to any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in relation to a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in relation to any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

“**Funding Rate**” means any individual rate notified by a Lender to the Facility Agent pursuant to sub-paragraph (ii) of paragraph (a) of Clause 10.3 (*Cost of funds*).

“**GAAP**” means generally accepted accounting principles in the US.

“**General Assignment**” means, in relation to a Ship, the general assignment creating Security over:

- (a) that Ship’s Earnings, its Insurances and any Requisition Compensation in relation to that Ship; and
- (b) any Charter and any Charter Guarantee in relation to that Ship; and
- (c) the benefit of any warranties of quality in favour of a Borrower under the relevant Shipbuilding Contract of that Ship, in agreed form.

“**Group**” means the Guarantor and its Subsidiaries for the time being (excluding any Subsidiaries whose shares are listed on any public stock exchange and whose financial statements are not consolidated into the financial statements of the Guarantor) and “**member of the Group**” shall be construed accordingly.

“**Guarantee**” means a guarantee executed by the Guarantor in agreed form.

“**Guarantor**” means Navios Maritime Partners L.P., a limited partnership formed in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

“**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 14.2 (*Other indemnities*).

“**Initial Charter**” has the meaning given to that term in Schedule 7 (*Details of the Ships and other Definitions*).

“**Initial Charterer**” has the meaning given to that term in Schedule 7 (*Details of the Ships and other Definitions*).

“**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; 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.

“**Interest Payment**” means the aggregate amount of interest that is, or is scheduled to become, payable under any Finance Document.

“**Interest Payment Date**” has the meaning given to it in Clause 8.2 (*Payment of interest*).

“**Interest Period**” means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

“**Inventory of Hazardous Materials**” means an inventory certificate or statement of compliance (as applicable) issued by the relevant Approved 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, 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 27 (*Changes to the Lenders*),

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 loan to be made available under the Facility or the aggregate principal amount outstanding for the time being of the borrowings under the Facility and a “**part of the Loan**” means an Advance, a Tranche, a part of a Tranche or any other part of the Loan as the context may require.

“**Lookback Period**” means the number of days specified as such in the 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 yet been made, a Lender or Lenders whose Commitments aggregate more than  $66\frac{2}{3}$  per cent. of the Total Commitments; or
- (b) at any other time, a Lender or Lenders whose participations in the Loan aggregate more than  $66\frac{2}{3}$  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  $66\frac{2}{3}$  per cent. of the Loan immediately before such repayment.

“**Management Agreement**” means in relation to a Ship, any agreement entered into with an Approved Manager regarding the commercial and technical management of that Ship.

“**Manager’s Undertaking**” means, in relation to a Ship, the letter of undertaking from the Approved Manager relating to that Ship subordinating the rights of the Approved Manager respectively against that Ship and the relevant Borrower 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 Value**” means, in relation to a Ship or any other vessel, at any date, the market value of that Ship or vessel determined in accordance with paragraph (a) of Clause 24.7 (*Provision of valuations*) and, prepared:

- (a) unless otherwise specified by the Facility Agent, as at a date not more than 14 days previously;
- (b) by an Approved Valuer or Approved Valuers;
- (c) with or without physical inspection of that Ship or vessel (as the Facility Agent may require); and
- (d) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing seller and a willing buyer, free of any Charter.

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

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Borrowers, the Guarantor or the Group as a whole; or
- (b) the ability of any Transaction Obligor to perform its obligations under any Finance Document; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or intended to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

“**Month**” means, in relation to any Interest Period (or any other period for the accrual of commission or fees), a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, subject to adjustment in accordance with the rules specified as Business Day Conventions in the Reference Rate Terms.

“**Mortgage**” means, in relation to a Ship, a first preferred Liberian 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 the Guarantor.

“**Original Financial Statements**” means the annual audited consolidated financial statements of the Group for its financial year ended 31 December 2021.

“**Original Jurisdiction**” means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement.

“**Overseas Regulations**” means the Overseas Companies Regulations 2009 (SI 2009/1801).

“**Parallel Debt**” means any amount which a Borrower owes to the Security Agent under Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or under that clause as incorporated by reference or in full in any other Finance Document.

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

“**Party**” means a party to this Agreement.

“**Permitted Charter**” means, in relation to a Ship, a Charter:

- (a) which is a time, voyage or consecutive voyage charter;
- (b) the duration of which does not exceed and is not capable of exceeding, by virtue of any optional extensions, 12 months plus a redelivery allowance of not more than 30 days;
- (c) which is entered into on *bona fide* arm’s length terms at the time at which that Ship is fixed; and
- (d) in relation to which not more than two months’ hire is payable in advance,

and any other Charter which is approved in writing by the Facility Agent acting with the authorisation of the Majority Lenders.

“**Permitted Financial Indebtedness**” means:

- (a) any Financial Indebtedness incurred under the Finance Documents; and
- (b) any Financial Indebtedness (including without limitation, any shareholder or intra-Group loans made available to the Borrowers (or any of them) in the normal course of its business of trading and operating any of Ship) that is subordinated to all Financial Indebtedness incurred under the Finance Documents in writing in a manner acceptable to the Facility Agent in all respects.

**“Permitted Security”** means:

- (a) Security created by the Finance Documents;
- (b) 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;
- (c) liens for salvage;
- (d) liens for master’s disbursements incurred in the ordinary course of trading in accordance with first class ship ownership and management practice and not being enforced through arrest; and
- (e) any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of any Ship:
  - (i) not as a result of any default or omission by any Borrower;
  - (ii) not being enforced through arrest; and
  - (iii) subject, in the case of liens for repair or maintenance, to Clause 23.16 (*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).

**“Potential Event of Default”** means any event or circumstance specified in Clause 26 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**“Prohibited Person”** means any person who is the subject of Sanctions (whether designated by name or by reason of being included in a class of persons to whom the applicable Sanctions apply in accordance with their terms) provided that, in the case of a person:

- (a) who is not themselves a Transaction Obligor, a Subsidiary of a Transaction Obligor or one of their respective directors, officers or employees or an agent of any of them; and
- (b) who is targeted only by “sectoral sanctions,” or other Sanctions that do not generally prohibit transactions with such person, such person shall be a Prohibited Person with respect to a transaction only to the extent that:
  - (i) an Transaction Obligor, a Finance Party or any other person organised or resident in the US, UK or EU would be prohibited by the law of such jurisdiction from entering into, directly or indirectly, such transaction with such person; or

(ii) the transaction involving such person would require a specific Authorisation by an applicable Sanctions authority.

“**Protected Party**” has the meaning given to it in Clause 12.1 (*Definitions*).

“**Receiver**” means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

“**Reference Rate Supplement**” means a document which:

- (a) is agreed in writing by the Borrowers and the Facility Agent (in its own capacity) and the Facility Agent (acting on the instructions of the Majority Lenders);
- (b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to Reference Rate Terms; and
- (c) has been made available to the Borrowers and each Finance Party.

“**Reference Rate Terms**” means the terms set out in Schedule 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.

“**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.

“**Repayment Date**” means each date on which a Repayment Instalment is required to be paid under Clause 6.1 (*Repayment of Loan*).

“**Repayment Instalment**” has the meaning given to it in Clause 6.1 (*Repayment of Loan*).

“**Repeating Representation**” means each of the representations set out in Clause 18 (*Representations*) except Clause 18.10 (*Insolvency*), Clause 18.11 (*No filing or stamp taxes*) and Clause 18.12 (*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 that 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.

**“RFR”** means the rate specified as such in the Reference Rate Terms.

**“RFR Banking Day”** means any day specified as such in the Reference Rate Terms.

**“Safety Management Certificate”** has the meaning given to it in the ISM Code.

**“Safety Management System”** has the meaning given to it in the ISM Code.

**“Sanctioned Country”** means a country or territory that is subject to comprehensive country-wide or territory-wide Sanctions.

**“Sanctions”** means any sanctions (including US “secondary sanctions”), embargoes, freezing provisions, prohibitions or other restrictions relating to trading, doing business, investment, exporting, financing or making assets available (or other activities similar to or connected with any of the foregoing):

- (a) imposed by law or regulation of the United Kingdom, the Council of the European Union, the United Nations or its Security Council or the United States of America; or
- (b) otherwise imposed by any law or regulation binding on a Transaction Obligor or to which a Transaction Obligor is subject.

**“Sanctioned Ship”** means a ship which is the subject of Sanctions.

**“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 Deed of Covenant;
- (d) any General Assignment;
- (e) any Charterparty Assignment;
- (f) any Account Security;
- (g) any other document (whether or not it creates Security) which is executed as security for the Secured Liabilities; or
- (h) any other document designated as such by the Facility Agent and the Borrowers.

“**Security Period**” means the period starting on the date of this Agreement and ending on the date on which the Facility Agent is satisfied that there is no outstanding Commitment in force and that the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

“**Security Property**” means:

- (a) the Transaction Security expressed to be granted in favour of the Security Agent as trustee for the Secured Parties and all proceeds of that Transaction Security;
- (b) all obligations expressed to be undertaken by a Transaction Obligor to pay amounts in relation to the Secured Liabilities to the Security Agent as trustee for the Secured Parties and secured by the Transaction Security together with all representations and warranties expressed to be given by a Transaction Obligor or any other person in favour of the Security Agent as trustee for the Secured Parties;
- (c) the Security Agent’s interest in any turnover trust created under the Finance Documents;
- (d) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Security Agent is required by the terms of the Finance Documents to hold as trustee on trust for the Secured Parties,

except:

- (i) rights intended for the sole benefit of the Security Agent; and

- (ii) any moneys or other assets which the Security Agent has transferred to the Facility Agent or (being entitled to do so) has retained in accordance with the provisions of this Agreement.

“**Servicing Party**” means the Facility Agent or the Security Agent.

“**Shareholder**” means Navios Maritime Operating L.L.C., a limited liability company formed and existing in the Republic of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.

“**Shares Security**” means, in relation to a Borrower, a document creating Security over the issued shares in that Borrower in agreed form.

“**Ship**” means Ship A or Ship B.

“**Ship A**” has the meaning given to that term in Schedule 7 (*Details of the Ships and other Definitions*).

“**Ship B**” has the meaning given to that term in Schedule 7 (*Details of the Ships and other Definitions*).

“**Shipbuilding Contract**” means:

- (a) in relation to Ship A, the shipbuilding contract dated 2 July 2021 (as amended and supplemented by an addendum no. 1 dated 18 November 2021) and made between (i) the Builder and (ii) Borrower A for the construction by the Builder of Ship A and its purchase by Borrower A, as amended and supplemented from time to time; and
- (b) in relation to Ship B, the shipbuilding contract dated 2 July 2021 (as amended and supplemented by an addendum no. 1 dated 18 November 2021) and made between (i) the Builder and (ii) Borrower B for the construction by the Builder of Ship B and its purchase by Borrower B, as amended and supplemented from time to time.

“**Specified Time**” means a day or time determined in accordance with Schedule 6 (*Timetables*).

“**Subsidiary**” means that a company (S) is a subsidiary of another company (P) if:

- (a) a majority of the issued shares in S (or a majority of the issued shares in S which carry unlimited rights to capital and income distributions) are directly owned by P or are indirectly attributable to P; and
- (b) P has direct or indirect control over a majority of the voting rights attached to the issued shares of S;

and any company of which S is a subsidiary is a parent company of S.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Credit**” has the meaning given to it in Clause 12.1 (*Definitions*).

“**Tax Deduction**” has the meaning given to it in Clause 12.1 (*Definitions*).

“**Tax Payment**” has the meaning given to it in Clause 12.1 (*Definitions*).

“**Termination Date**” means, in relation to a Tranche, the date falling on the seventh anniversary of the Utilisation Date of that Tranche.

“**Third Parties Act**” has the meaning given to it in Clause 1.5 (*Third party rights*).

“**Total Commitments**” means the aggregate of the Commitments, being in an amount not exceeding the lesser of (i) \$86,240,000 and (ii) 70 per cent. of the Contract Price of the Ships.

“**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 to be made available to Borrower A to finance part of the Contract Price of Ship A in a principal amount not exceeding the lower of (i) \$43,120,000 and (ii) 70 per cent. of the Contract Price of Ship A.



“**Tranche B**” means that part of the Loan to be made available to Borrower B to finance part of the Contract Price of Ship B in a principal amount not exceeding the lower of (i) \$43,120,000 and (ii) 70 per cent. of the Contract Price of Ship B.

“**Transaction Document**” means:

- (a) a Finance Document;
- (b) a Shipbuilding Contract;
- (c) any Assignable Charter;
- (d) any Charter Guarantee relating to an Assignable Charter; or
- (e) any other document designated as such by the Facility Agent and a Borrower.

“**Transaction Obligor**” means an Obligor, the Shareholder, any Approved Manager who is a member of the Group or any other member of the Group who executes a Transaction Document.

“**Transaction Security**” means the Security created or evidenced or expressed to be created or evidenced under the Security Documents.

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Borrowers.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Facility Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**UK Bail-In Legislation**” means Part 1 of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutes or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

“**UK Establishment**” means a UK establishment as defined in the Overseas Regulations.

“**Unpaid Sum**” means any sum due and payable but unpaid by a Transaction Obligor under the Finance Documents.

“**US**” means the United States of America.

“**US Tax Obligor**” means:

- (a) a person which is resident for tax purposes in the US; or
- (b) a person some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

“**Utilisation**” means 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.

“**Warranty**” means Article IX (*warranty of quality*) of the relevant Shipbuilding Contract and any renewal of such warranty after the making good of any warranty claim.

“**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 “**Mandated Lead Arranger**”, the “**Facility Agent**”, any “**Finance Party**”, any “**Lender**”, any “**Obligor**”, any “**Party**”, any “**Secured Party**”, the “**Security Agent**”, any “**Transaction Obligor**” or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
  - (ii) “**assets**” includes present and future properties, revenues and rights of every description;
  - (iii) a liability which is “**contingent**” means a liability which is not certain to arise and/or the amount of which remains unascertained;
  - (iv) “**document**” includes a deed and also a letter, fax, email or telex;
  - (v) “**expense**” means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable Tax including VAT;
  - (vi) a Lender’s “**cost of funds**” in relation to its participation in the Loan or any part of the Loan is a reference to the average cost (determined either on an actual or a notional basis) which that Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of that participation in the Loan or that part of the Loan for a period equal in length to the Interest Period of the Loan or that part of the Loan;
  - (vii) a “**Finance Document**”, a “**Security Document**” or “**Transaction Document**” or any other agreement or instrument is a reference to that Finance Document, Security Document or Transaction Document or other agreement or instrument as amended, replaced, novated, supplemented, extended or restated;
  - (viii) a “**group of Lenders**” includes all the Lenders;
  - (ix) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (x) “**law**” includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;
  - (xi) “**proceedings**” means, in relation to any enforcement provision of a Finance Document, proceedings of any kind, including an application for a provisional or protective measure;
  - (xii) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
  - (xiii) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (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 Frankfurt am Main time;
  - (xvii) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of a jurisdiction other than England, be deemed to include that which most nearly approximates in that jurisdiction to the English legal term;
  - (xviii) words denoting the singular number shall include the plural and vice versa; and
  - (xix) “**including**” and “**in particular**” (and other similar expressions) shall be construed as not limiting any general words or expressions in connection with which they are used.
- (b) Section, Clause and Schedule headings are for ease of reference only and are not to be used for the purposes of construction or interpretation of the Finance Documents.
  - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under, or in connection with, any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
  - (d) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:
    - (i) any replacement page of that information service which displays that rate; and
    - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service,
    - (iii) and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Facility Agent after consultation with the Borrowers.
  - (e) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.
  - (f) Any Reference Rate Supplement overrides anything in:
    - (i) Schedule 8 (*Reference Rate Terms*); or
    - (ii) any earlier Reference Rate Supplement.

- (g) A Compounding Methodology Supplement relating to the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
- (i) Schedule 9 (*Cumulative Compounded RFR Rate*); or
  - (ii) any earlier Compounding Methodology Supplement.
- (h) A Potential Event of Default is “**continuing**” if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived.

### 1.3 Construction of insurance terms

In this Agreement:

“**approved**” means, for the purposes of Clause 21 (*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 21 (*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 43.2 (*All Lender matters*) applies, all the Lenders.

## 1.5 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the “**Third Parties Act**”) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Affiliate, Receiver, Delegate or any other person described in paragraph (d) of Clause 14.2 (*Other indemnities*), paragraph (b) of Clause 29.11 (*Exclusion of liability*), or paragraph (b) of Clause 30.11 (*Exclusion of liability*) may, subject to this Clause 1.5 (*Third party rights*) and the Third Parties Act, rely on any Clause of this Agreement which expressly confers rights on it.

## 1.6 Sanctions exceptions

- (a) In relation to a Lender that is incorporated in Germany (each a “**Restricted Lender**”), Clause 18.35 (*Sanctions*), Clause 20.21 (*Sanctions undertakings*), Clause 23.10 (*Compliance with laws etc.*), Clause 23.12 (*Sanctions and Ship trading*) and any provision in this Agreement making (directly or indirectly) reference to the definition of “Sanctions” (together, the “**Sanctions Provisions**”) will not apply for the benefit of that Restricted Lender to the extent that the Sanctions Provisions would result in any violation of or liability under (i) Council Regulation (EC) No 2271/96 of 22 November 1996 and/or (ii) section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung—AWV*) in connection with the German Foreign Trade Law (*Außenwirtschaftsgesetz—AWG*) and/or (iii) similar legislation imposed by the European Union or the Federal Republic of Germany, in each case protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom.
- (b) A Restricted Lender will not, in the event of and on the sole basis of, a breach of any Sanctions imposed by any Sanctions Authority other than the United Nations, European Union or Germany (a “**Sanctions Breach**”) be entitled to:
  - (i) declare that the Commitment is cancelled or require a mandatory prepayment in accordance with Clause 7.1 (*Illegality and Sanctions affecting a Lender*); or
  - (ii) assert any other rights under the Finance Documents on the sole basis of such Sanctions Breach.

**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 post-delivery senior secured dollar term loan facility in two Tranches in an aggregate amount not exceeding the Total Commitments.

**2.2 Finance Parties' rights and obligations**

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from a Transaction Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of the Loan or any other amount owed by a Transaction Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Facility Agent on its behalf) is a debt owing to that Finance Party by that Transaction Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

**3 PURPOSE**

**3.1 Purpose**

Each Borrower shall apply all amounts borrowed by it under the Facility only for the purpose stated in the preamble (*Background*) to this Agreement.

**3.2 Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

**4 CONDITIONS OF UTILISATION**

**4.1 Initial conditions precedent**

The Borrowers may not deliver 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 the Advance is made available:
  - (i) no Default is continuing or would result from the proposed Advance; and
  - (ii) the Repeating Representations to be made by each Transaction Obligor are true; and
- (b) in the case of each Advance, the Facility Agent has received on or before the relevant Utilisation Date, or is satisfied it will receive when such 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.

#### **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 or such later date as the Facility Agent, acting with the authorisation of the Majority Lenders, may agree in writing with the Borrowers.



**SECTION 3**  
**UTILISATION**

**5 UTILISATION**

**5.1 Delivery of a Utilisation Request**

- (a) The Borrowers may utilise the Facility by delivery to the Facility Agent of a duly completed Utilisation Request not later than the Specified Time.
- (b) The Borrowers may not deliver more than one Utilisation Request under each Tranche.

**5.2 Completion of a Utilisation Request**

Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:

- (a) the proposed Utilisation Date is a Business Day within the relevant Availability Period;
- (b) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
- (c) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

**5.3 Currency and amount**

- (a) The currency specified in a Utilisation Request must be dollars.
- (b) The amount of the proposed Advance, in relation to each Ship, must be an amount which is not more than the lower of (i) \$43,120,000 and (ii) 70 per cent. of the Contract Price of that Ship.
- (c) The amount of the proposed Advance must be an amount which is not more than the Available Facility.
- (d) The amount of each 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 24 (*Security Cover*) were applied and notice was given by the Facility Agent under Clause 24.1 (*Minimum required security cover*) immediately after that Advance was made.

**5.4 Cancellation of Commitments**

The Commitments in respect of any Tranche which are unutilised at the end of the Availability Period for such Tranche shall then be cancelled.

**5.5 Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, each Lender shall make its participation in each Advance available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in each Advance will be equal to the proportion borne by its Available Commitment to the Available Facility immediately before making that Advance.

- (c) The Facility Agent shall notify each Lender of the amount of each Advance and the amount of its participation in that Advance by the Specified Time.

#### **5.6 Payments**

- (a) The Borrowers irrevocably authorise the Facility Agent on each Utilisation Date to pay to, or for the account of, the Borrowers the amounts which the Facility Agent receives from the Lenders in respect of the relevant Advance.
- (b) The relevant part of the Advance, which constitutes 60 per cent. of the Contract Price of the relevant Ship shall be made to the account of the Builder which the Borrowers specify in the relevant Utilisation Request, **provided that** (i) there is a SWIFT key between the Facility Agent and the Builder's bank, (ii) the Facility Agent has carried out at least 10 Business Days before the relevant Utilisation Date and is satisfied with all necessary "know your customer" requirements in respect of the Builder and (iii) that bank has a credit rating of BBB or higher assigned by Standard & Poor's or Baa2 or higher assigned by Moody's or is otherwise acceptable to the Lenders.
- (c) The relevant part of the Advance, which constitutes 10 per cent. of the Contract Price of the relevant Ship, as reimbursement for payments already made by the relevant Borrower to the Builder in accordance with Article 2 (*contract price & terms of payment*) of the relevant Shipbuilding Contract shall be made to the account of that Borrower which the Borrowers specify in the relevant Utilisation Request.

#### **5.7 Disbursement of Advance to third party**

Payment by the Facility Agent under Clause 5.6 (*Payments*) to a person other than a Borrower shall constitute the making of the relevant Advance and the Borrowers shall at that time become indebted, as principal and director 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 any proposed Advance, the Lenders, at the request of the Borrowers and on terms acceptable to all the Lenders and in their absolute discretion, subject to Clause 5.6 (*Payments*), preposition funds with the Builder's or any other bank, each Borrower:

- (a) agrees to pay interest on the amount of the funds so prepositioned at the rate described in Clause 8.1 (*Calculation of interest*) 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 Loan

The Borrowers shall repay the Loan as follows:

- (a) Tranche A shall be repaid by 28 equal consecutive quarterly instalments, each in an amount of \$673,750 (each a “**Tranche A Repayment Instalment**” and together the “**Tranche A Repayment Instalments**”) and a balloon instalment in the amount of \$24,255,000 (the “**Tranche A Balloon Instalment**”); and
- (b) Tranche B shall be repaid by 28 equal consecutive quarterly instalments, each in an amount of \$673,750 (each a “**Tranche B Repayment Instalment**” and together the “**Tranche B Repayment Instalments**” and together with the Tranche A Repayment Instalments, the “**Repayment Instalments**” and each a “**Repayment Instalment**”) and a balloon instalment in the amount of \$24,255,000 (the “**Tranche B Balloon Instalment**” and together with the Tranche A Balloon Instalment, the “**Balloon Instalments**” and each a “**Balloon Instalment**”).

##### 6.2 Repayment Dates

The first Repayment Instalment in relation to each Tranche shall be repaid on the date falling three Months from the Delivery Date of the Ship relevant to such Tranche, each subsequent Repayment Instalment in relation to such Tranche shall be repaid at quarterly intervals thereafter and the relevant Balloon Instalment shall be repaid on the Termination Date relating to such Tranche.

##### 6.3 Effect of cancellation and prepayment on scheduled repayments

- (a) If the Borrowers cancel the whole or any part of any Available Commitment in accordance with Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or if the Available Commitment of any Lender is cancelled under Clause 7.1 (*Illegality and Sanctions affecting a Lender*) then the Repayment Instalments and the Balloon Instalments for the relevant Tranche falling after that cancellation will be reduced *pro rata* by the amount of the Available Commitments so cancelled.
- (b) If the whole or part of any Commitment is cancelled pursuant to Clause 5.4 (*Cancellation of Commitments*) or Clause 7.3 (*Voluntary and automatic cancellation*), the Repayment Instalments and the Balloon Instalments for the relevant Tranche for each Repayment Date falling after that cancellation will be reduced *pro rata* by the amount of the Commitments so cancelled.
- (c) If any part of the Loan is repaid or prepaid in accordance with Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*) or Clause 7.1 (*Illegality and Sanctions affecting a Lender*), then such prepayment shall be applied *pro rata* against each Tranche and the Repayment Instalments and the Balloon Instalments for each Repayment Date falling after that repayment or prepayment (as applicable) will be reduced *pro rata* by the amount of the Loan repaid or prepaid.

- (d) If any part of the Loan is prepaid in accordance with Clause 7.4 (*Voluntary prepayment of Loan*), then such prepayment shall be applied *pro rata* against each Tranche and the amount of the Repayment Instalments and Balloon Instalment for each Tranche for each Repayment Date falling after that repayment or prepayment will be reduced in chronological order of maturity by the amount of the Loan repaid or prepaid, unless such voluntary prepayment is made against the full amount of each Tranche, then such amount prepaid shall be applied against that Tranche.
- (e) If any part of the Loan is prepaid in accordance with Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*), then the amount of the Repayment Instalments and Balloon Instalment for the relevant Tranche for each Repayment Date falling after that repayment or prepayment will be reduced *pro rata* by the amount of the Loan repaid or prepaid, unless such mandatory prepayment is made against the full amount of such Tranche and any balance after the prepayment of the relevant Tranche in full shall reduce the Repayment Instalments and Balloon Instalments of the other Tranche *pro rata*.

#### **6.4 Termination Date**

On each Termination Date, the Borrowers shall additionally pay to the Facility Agent for the account of the Finance Parties all other sums then accrued and owing under the Finance Documents.

#### **6.5 Reborrowing**

No Borrower may reborrow any part of the Facility which is repaid.

### **7 PREPAYMENT AND CANCELLATION**

#### **7.1 Illegality and Sanctions 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 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 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

If there is a Change of Control:

- (a) the Borrowers shall and shall procure that the Guarantor shall promptly notify the Facility Agent upon becoming aware of that event; and
- (b) if the Majority Lenders so require, the Facility Agent shall, by not less than 10 Business Days' notice to the Borrowers, cancel the Facility and declare the Loan, together with accrued interest, and all other amounts accrued under the Finance Documents immediately due and payable, whereupon the Facility will be cancelled and the Loan and all such outstanding interest and other amounts will become immediately due and payable.
- (c) In this Clause 7.2 (*Change of control*):

“**Change of Control**” means a change which results in:

- (a) Navios Maritime Holdings Inc. and/or Mrs. Angeliki Frangou and her direct descendants (either directly or indirectly) (through entities owned and controlled by her or trusts or foundations of which she is a beneficiary) ceasing to be the owner of, or having ultimate control of the voting rights attaching to more than 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), ceasing to be the owner of, or having ultimate control of the voting rights attaching to all the issued shares in the general partner of the Guarantor, which is currently Olympos Maritime Ltd; or
- (c) Mrs. Angeliki Frangou ceasing to act as chairman or chief executive officer of the Guarantor and Olympos Maritime Ltd ceasing to be the general partner of the Guarantor; or
- (d) any person or group of persons acting in concert, other than Navios Maritime Holdings Inc., Mrs Angeliki Frangou and her direct descendants (either directly or indirectly), gaining control of the Guarantor; or
- (e) the Guarantor ceasing to be the owner of, directly or indirectly, the issued shares in each Borrower;

For the purpose of paragraph (d) above “**control**” means the holding beneficially issued units of the Guarantor representing 50 per cent. or more of the voting rights.

For the purpose of paragraph (d) above “**acting in concert**” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Guarantor by any of them, either directly or indirectly, to obtain or consolidate control of the Guarantor.

## 7.3 Voluntary and automatic cancellation

- (a) The Borrowers may, if they give the Facility Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior written notice, cancel the whole or any part (being a minimum amount of \$1,000,000 or an integral multiple of that amount or such lesser amount as may be acceptable to the Majority Lenders) of the Available Facility. Any cancellation under this Clause 7.3 (*Voluntary and automatic cancellation*) shall reduce the Commitments of the Lenders rateably and the amount of the relevant Tranche(s).

- (b) The unutilised Commitment (if any) of each Lender shall be automatically cancelled at close of business on the date on which the last Advance is made available.

#### **7.4 Voluntary prepayment of Loan**

The Borrowers may, if they give the Facility Agent no less than five RFR Banking Days (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of the Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of \$1,000,000 or an integral multiple of that amount or such lesser amount as may be acceptable to the Majority Lenders).

#### **7.5 Mandatory prepayment on sale, seizure or Total Loss**

If a Ship is sold (without prejudice to paragraph (a) of Clause 20.12 (*Disposals*)) or becomes a Total Loss, the Borrowers shall repay an amount equal to (i) the Tranche applicable to that Ship and (ii) such amount, if applicable, to eliminate any shortfall arising in the ratio set out in Clause 24 (*Security Cover*) immediately following the prepayment. Such repayment shall be made:

- (a) in the case of a sale of a Ship, on or before the date on which the sale is completed by delivery of the Ship to the buyer; or
- (b) in the case of a Total Loss, on the earlier of (i) the date falling 90 days after the Total Loss Date and (ii) the date of receipt by the Security Agent of the proceeds of insurance relating to such Total Loss.

#### **7.6 Right of repayment and cancellation in relation to a single Lender**

- (a) If:
  - (i) any sum payable to any Lender by a Borrower is required to be increased under paragraph (c) of Clause 12.2 (*Tax gross-up*); or
  - (ii) any Lender claims indemnification from a Borrower under Clause 12.3 (*Tax indemnity*) or Clause 13 (*Increased costs*),

the Borrowers may give the Facility Agent notice of cancellation of the Commitment of that Lender and their intention to procure the repayment of that Lender's participation in the Loan.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrowers have given notice of cancellation under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrowers in that notice), the Borrowers shall repay that Lender's participation in the Loan.
- (d) The Borrowers may, in the circumstances set out in paragraph (a) above, on 15 Business Days' prior notice to the Facility Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 27 (*Changes to the Lenders*) (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrowers which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 27 (*Changes to the Lenders*) for a purchase price

in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the Loan and all accrued interest (to the extent that the Facility Agent has not given a notification under Clause 27.8 (*Pro rata interest settlement*)) and other amounts payable in relation thereto under the Finance Documents.

- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
- (i) the Borrowers shall have no right to replace a Lender acting in its capacity as a Servicing Party;
  - (ii) neither the Facility Agent nor any Lender shall have any obligation to find a replacement Lender;
  - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
  - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
- (f) A Lender shall perform the checks described in sub-paragraph (iv) of paragraph (e) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Facility Agent and the Borrowers when it is satisfied that it has complied with those checks.

#### **7.7 Restrictions**

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 (*Prepayment and Cancellation*) shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment and, if relevant, the part of the Loan to be prepaid or cancelled.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and without premium or penalty.
- (c) No Borrower may reborrow any part of the Facility which is prepaid.
- (d) No Borrower shall repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Facility Agent receives a notice under this Clause 7 (*Prepayment and Cancellation*) it shall promptly forward a copy of that notice to either the Borrowers or the affected Lenders, as appropriate.

- 
- (g) If all or part of any Lender's participation in the Loan is repaid or prepaid, an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

**7.8 Application of prepayments**

Any prepayment of any part of the Loan (other than a prepayment pursuant to Clause 7.1 (Illegality and Sanctions affecting a Lender) or Clause 7.6 (*Right of repayment and cancellation in relation to a single Lender*)) shall be applied *pro rata* to each Lender's participation in that part of the Loan.



**SECTION 5**  
**COSTS OF UTILISATION**

**8 INTEREST**

**8.1 Calculation of interest**

The rate of interest on the Loan or any part of the Loan for an Interest Period is the percentage rate per annum which is the aggregate of:

- (a) the Margin; and
- (b) the Compounded Reference Rate.

**8.2 Payment of interest**

The Borrowers shall pay accrued interest on the Loan or any part of the Loan on the last day of each Interest Period (each an “**Interest Payment Date**”).

**8.3 Default interest**

- (a) If a Transaction Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which is 2 per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Facility Agent. Any interest accruing under this Clause 8.3 (*Default interest*) shall be immediately payable by the Transaction Obligor on demand by the Facility Agent.
- (b) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

**8.4 Notifications**

- (a) The Facility Agent shall no later than 3 Business Days prior to each Interest Payment Date, notify:
  - (i) the Borrowers of that Interest Payment;
  - (ii) the Borrowers and the Lenders of the applicable Compounded Reference Rate and Cumulative Compounded RFR Rate; and
  - (iii) if requested in writing by the Borrowers not less than 5 Business Days before the end of the relevant Interest Period, the Borrowers of each applicable rate of interest relating to the determination of that Interest Payment.

This paragraph (a) shall not apply to any Interest Payment determined pursuant to Clause 10.3 (*Cost of funds*).

- (b) The Facility Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan.
- (c) The Facility Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to the Loan or any part of the Loan to which Clause 10.3 (*Cost of funds*) applies.
- (d) This Clause 8.4 (*Notifications*) shall not require the Facility Agent to make any notification to any Party on a day which is not a Business Day.

## **9 INTEREST PERIODS**

### **9.1 Interest Periods**

- (a) Subject to this Clause 9 (*Interest Periods*), each Interest Period in respect of each Tranche shall be the period specified in the Reference Rate Terms or any other period agreed between the Borrowers, the Facility Agent and the Lenders.
- (b) An Interest Period in respect of the Loan or any part of the Loan shall not extend beyond the Termination Date.
- (c) The first Interest Period for each Tranche shall start on the Utilisation Date of such Tranche and each subsequent Interest Period shall start on the last day of the preceding Interest Period.
- (d) No Interest Period shall be longer than three Months.

### **9.2 Changes to Interest Periods**

- (a) In respect of a Repayment Instalment, before the first day of an Interest Period for the Loan, the Facility Agent may establish an Interest Period for a part of the Loan equal to such Repayment Instalment to end on the Repayment Date relating to it and the remaining part of the Loan shall have the Interest Period specified in the Reference Rate Terms.
- (b) If the Facility Agent makes any change to an Interest Period referred to in this Clause 9.2 (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.
- (c) If, pursuant to this Agreement, any accrued interest on the Loan or any part of the Loan or an Unpaid Sum becomes payable prior to the last day of an Interest Period for the Loan or that part of the Loan or Unpaid Sum, that Interest Period shall:
  - (i) for the purposes only of calculating that accrued interest, and in relation only to the Loan or such part of the Loan or Unpaid Sum, be treated as ending on the day on which that accrued interest becomes payable pursuant to this Agreement; and
  - (ii) for all other purposes under this Agreement, continue to end, and shall be treated as ending, on the last day of that Interest Period.

### **9.3 Non-Business Days**

Any rules specified as “Business Day Conventions” in the Reference Rate Terms, shall apply to each Interest Period.

## **10 CHANGES TO THE CALCULATION OF INTEREST**

### **10.1 Interest calculation if no RFR or Central Bank Rate**

If:

- (a) there is no RFR or Central Bank Rate for an RFR Banking Day during an Interest Period for the Loan or any part of the Loan for the purposes of calculating the Cumulative Compounded RFR Rate; and
- (b) “Cost of funds will apply as a fallback” is specified in the Reference Rate Terms,  
Clause 10.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for that Interest Period.

### **10.2 Market disruption**

If 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 50 per cent. of the Loan or the relevant part of the Loan as appropriate) that its cost of funds relating to its participation in the Loan or that part of the Loan would be in excess of the Compounded Reference Rate, then Clause 10.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

### **10.3 Cost of funds**

- (a) If this Clause 10.3 (*Cost of funds*) applies to the Loan or part of the Loan for an Interest Period, Clause 8.1 (*Calculation of interest*) shall not apply to the Loan or that part of the Loan for that Interest Period and the rate of interest on the Loan or that part of the Loan for that Interest Period shall be the percentage rate per annum which is the sum of:
  - (i) the Margin; and
  - (ii) the weighted average of the rates notified to the Facility Agent by each Lender as soon as practicable and in any event by the Reporting Time for the Loan or that part of the Loan to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in the Loan or that part of the Loan.
- (b) If this Clause 10.3 (*Cost of funds*) applies and the Facility Agent or the Borrowers so require, the Facility Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.
- (c) Subject to Clause 43.4 (*Changes to reference rates*), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.
- (d) If the rate notified to the Facility Agent under sub-paragraph (ii) of paragraph (a) above is less than zero, the relevant rate shall be deemed to be zero.
- (e) If this Clause 10.3 (*Cost of funds*) applies but any Lender does not supply a quotation by the time specified in sub-paragraph (ii) of paragraph (a) above, the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.

- 
- (f) If this Clause 10.3 (*Cost of funds*) applies, the Facility Agent shall, as soon as is practicable, notify the Borrowers.

**11 FEES**

**11.1 Commitment fee**

- (a) The Borrowers shall pay to the Facility Agent (for the account of each Lender) a fee computed at the rate of 0.50 per cent. 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 during the period commencing from 14 September 2022 to the last day of the Availability Period on the last day of such period and, if cancelled, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

**11.2 Arrangement fee**

The Borrowers shall pay to the Mandated Lead Arranger a non-refundable arrangement fee as set out in the relevant Fee Letter.

**SECTION 6**  
**ADDITIONAL PAYMENT OBLIGATIONS**

**12 TAX GROSS UP AND INDEMNITIES**

**12.1 Definitions**

(a) In this Agreement:

“**Protected Party**” means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means either the increase in a payment made by a Borrower to a Finance Party under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

(b) Unless a contrary indication appears, in this Clause 12 (*Tax Gross Up and Indemnities*) reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

**12.2 Tax gross-up**

(a) Each Borrower shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) The Borrowers shall promptly upon becoming aware that a Borrower must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Facility Agent accordingly. Similarly, a Lender shall notify the Facility Agent on becoming so aware in respect of a payment payable to that Lender. If the Facility Agent receives such notification from a Lender it shall notify the Borrowers and that Borrower.

(c) If a Tax Deduction is required by law to be made by a Borrower, the amount of the payment due from that Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) If a Borrower is required to make a Tax Deduction, that Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(e) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower making that Tax Deduction shall deliver to the Facility Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

### 12.3 Tax indemnity

- (a) The Borrowers shall (within three Business Days of demand by the Facility Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
    - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,  
  
if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
  - (ii) to the extent a loss, liability or cost:
    - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or
    - (B) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Facility Agent of the event which will give, or has given, rise to the claim, following which the Facility Agent shall notify the Borrowers.
- (d) A Protected Party shall, on receiving a payment from a Borrower under this Clause 12.3 (*Tax indemnity*), notify the Facility Agent.

### 12.4 Tax Credit

If a Borrower makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was received; and
  - (b) that Finance Party has obtained and utilised that Tax Credit,
- the Finance Party shall pay an amount to the Borrower which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

## 12.5 Stamp taxes

The Borrowers shall pay and, within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability which that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

## 12.6 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the “**Supplier**”) to any other Finance Party (the “**Recipient**”) under a Finance Document, and any Party other than the Recipient (the “**Relevant Party**”) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
- (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this sub-paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
- (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part of it as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 12.6 (*VAT*) to any Party shall, at any time when that Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union or equivalent provisions imposed elsewhere) so that a reference to a Party shall be construed as a reference to that Party or the relevant group or unity (or fiscal unity) of which that Party is a member for VAT purposes at the relevant time or the relevant representative member (or representative or head) of that group or unity at the relevant time (as the case may be).

- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

#### **12.7 FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party; and
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
  - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything and sub-paragraph (iii) of paragraph (a) above shall not oblige any other Party to do anything which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or
  - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraphs (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is a US Tax Obligor, or the Facility Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:
  - (i) where a Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;



- (ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date; or
- (iii) where a Borrower is not a US Tax Obligor, the date of a request from the Facility Agent, supply to the Facility Agent:
  - (iv) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
  - (v) any withholding statement or other document, authorisation or waiver as the Facility Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Facility Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrowers.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Facility Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Facility Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Facility Agent). The Facility Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrowers.
- (h) The Facility Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Facility Agent shall not be liable for any action taken by it under or in connection with paragraphs (e), (f) or (g) above.

## **12.8 FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify each Borrower and the Facility Agent and the Facility Agent shall notify the other Finance Parties.

## **13 INCREASED COSTS**

### **13.1 Increased costs**

- (a) Subject to Clause 13.3 (*Exceptions*), the Borrowers shall, within three Business Days of a demand by the Facility Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or

- (ii) compliance with any law or regulation made,  
in each case after the date of this Agreement; or
  - (iii) the implementation, application of or compliance with Basel III or CRD IV or any law or regulation that implements or applies Basel III or CRD IV.
- (b) In this Agreement:
- (i) “**Basel III**” means:
    - (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
    - (B) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement—Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
    - (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.
  - (ii) “**CRD IV**” means:
    - (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012, as amended by Regulation (EU) 2019/876;
    - (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended by Directive (EU) 2019/878; and
    - (C) any other law or regulation which implements Basel III.
  - (iii) “**Increased Costs**” means:
    - (A) a reduction in the rate of return from the Facility or on a Finance Party’s (or its Affiliate’s) overall capital;
    - (B) an additional or increased cost; or

(C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document.

### 13.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 13.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Borrowers.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Increased Costs.

### 13.3 Exceptions

Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by a Borrower;
- (b) attributable to a FATCA Deduction required to be made by a Party;
- (c) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 12.3 (*Tax indemnity*) applied);
- (d) compensated for by any payment made pursuant to Clause 14.3 (*Mandatory Cost*); or
- (e) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.

## 14 OTHER INDEMNITIES

### 14.1 Currency indemnity

- (a) If any sum due from a Borrower under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:

- (i) making or filing a claim or proof against that Borrower; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Borrower shall, as an independent obligation, on demand, indemnify each Secured Party to which that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

#### 14.2 Other indemnities

- (a) Each Borrower shall, on demand, indemnify each Secured Party against any cost, loss or liability incurred by it as a result of:
- (i) the occurrence of any Event of Default;
  - (ii) a failure by a 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 32 (*Sharing among the Finance Parties*);
  - (iii) funding, or making arrangements to fund, its participation in an Advance requested by the Borrowers in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Secured Party alone); or
  - (iv) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrowers.
- (b) Each Borrower shall, on demand, indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate (each such person for the purposes of this Clause 14.2 (*Other indemnities*) an “**Indemnified Person**”), against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by that Indemnified Person pursuant to or in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry, in connection with or arising out of the entry into and the transactions contemplated by the Finance Documents, having the benefit of any Security constituted by the Finance Documents or which relates to the condition or operation of, or any incident occurring in relation to, any Ship unless such cost, loss or liability is caused by the gross negligence or wilful misconduct of that Indemnified Person.
- (c) Without limiting, but subject to any limitations set out in paragraph (b) above, the indemnity in paragraph (b) above shall cover any cost, loss or liability incurred by each Indemnified Person in any jurisdiction:
- (i) arising or asserted under or in connection with any law relating to safety at sea, the ISM Code, any Environmental Law or any Sanctions; or
  - (ii) in connection with any Environmental Claim.
- (d) Any Affiliate or any officer or employee of a Finance Party or of any of its Affiliates may rely on this Clause 14.2 (*Other indemnities*) subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.

### 14.3 Mandatory Cost

Each Borrower shall, on demand by the Facility Agent, pay to the Facility Agent for the account of the relevant Lender, such amount which any Lender certifies in a notice to the Facility Agent to be its good faith determination of the amount necessary to compensate it for complying with:

- (a) in the case of a Lender lending from a Facility Office in a Participating Member State, the minimum reserve requirements (or other requirements having the same or similar purpose) of the European Central Bank (or any other authority or agency which replaces all or any of its functions) in respect of loans made from that Facility Office; and
- (b) in the case of any Lender lending from a Facility Office in the United Kingdom, any reserve asset, special deposit or liquidity requirements (or other requirements having the same or similar purpose) of the Bank of England (or any other governmental authority or agency) and/or paying any fees to the Financial Conduct Authority and/or the Prudential Regulation Authority (or any other governmental authority or agency which replaces all or any of their functions),

which, in each case, is referable to that Lender's participation in the Loan.

### 14.4 Indemnity to the Facility Agent

Each Borrower shall, on demand, indemnify the Facility Agent against:

- (a) any cost, loss or liability incurred by the Facility Agent (acting reasonably) as a result of:
  - (i) investigating any event which it reasonably believes is a Default; or
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
  - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on fraud of the Facility Agent in acting as Facility Agent under the Finance Documents.

### 14.5 Indemnity to the Security Agent

- (a) Each Borrower shall, on demand, indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by any of them:
  - (i) in relation to or as a result of:
    - (A) any failure by a Borrower to comply with its obligations under Clause 16 (*Costs and Expenses*);
    - (B) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

- (C) the taking, holding, protection or enforcement of the Finance Documents and the Transaction Security;
  - (D) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law;
  - (E) any default by any Transaction Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents;
  - (F) any action by any Transaction Obligor which vitiates, reduces the value of, or is otherwise prejudicial to, the Transaction Security; and
  - (G) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under the Finance Documents,
- (ii) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Security Property or the performance of the terms of this Agreement or the other Finance Documents (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).
- (b) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Security Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 14.5 (*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.

## **15 MITIGATION BY THE FINANCE PARTIES**

### **15.1 Mitigation**

- (a) Each Finance Party shall, in consultation with the Borrowers, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (Illegality and Sanctions affecting a Lender), Clause 12 (*Tax Gross Up and Indemnities*), Clause 13 (*Increased Costs*) or paragraph (a) of Clause 14.3 (*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.

### **15.2 Limitation of liability**

- (a) Each Borrower shall, on demand, indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 15.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 15.1 (*Mitigation*) if either:
- (i) a Default has occurred and is continuing; or
  - (ii) in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

## **16 COSTS AND EXPENSES**

### **16.1 Transaction expenses**

The Borrowers shall, on demand, pay the Facility Agent, the Security Agent and the Mandated Lead Arranger the amount of all costs and expenses (including legal fees and VAT) reasonably incurred by any Secured Party in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (a) this Agreement and any other documents referred to in this Agreement or in a Security Document; and
- (b) any other Finance Documents executed after the date of this Agreement.

### **16.2 Amendment costs**

Subject to Clause 16.4 (*Reference rate transition costs*), if:

- (a) a Transaction Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 33.9 (*Change of currency*); or
- (c) a Transaction Obligor requests, and the Security Agent agrees to, the release of all or any part of the Security Assets from the Transaction Security,

the Borrowers shall, on demand, reimburse each of the Facility Agent and the Security Agent for the amount of all costs and expenses (including legal fees and VAT) reasonably incurred by each Secured Party in responding to, evaluating, negotiating or complying with that request or requirement.

### **16.3 Enforcement and preservation costs**

The Borrowers shall, on demand, pay to each Secured Party the amount of all costs and expenses (including legal fees and VAT) incurred by that Secured Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document or the Transaction Security and with any proceedings instituted by or against that Secured Party as a consequence of it entering into a Finance Document, taking or holding the Transaction Security, or enforcing those rights.

### **16.4 Reference rate transition costs**

The Borrowers shall on demand reimburse each of the Facility Agent and the Security Agent for the amount of all documented costs and expenses (including legal fees and VAT) reasonably incurred by each Secured Party in connection with:

- (a) the negotiation or entry into of any Reference Rate Supplement or Compounding Methodology Supplement; or
- (b) any amendment, waiver or consent relating to:
  - (i) any Reference Rate Supplement or Compounding Methodology Supplement; or
  - (ii) any change arising as a result of an amendment required under Clause 43.4 (*Changes to reference rates*).

## SECTION 7

### JOINT AND SEVERAL LIABILITY OF BORROWERS

#### 17 JOINT AND SEVERAL LIABILITY OF THE BORROWERS

##### 17.1 Joint and several liability

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be joint and several.

##### 17.2 Waiver of defences

The liabilities and obligations of a Borrower shall not be impaired by:

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards the other Borrower;
- (b) any Lender or the Security Agent entering into any rescheduling, refinancing or other arrangement of any kind with the other Borrower;
- (c) any Lender or the Security Agent releasing the other Borrower or any Security created by a Finance Document; or
- (d) any time, waiver or consent granted to, or composition with the other Borrower or other person;
- (e) the release of the 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, the 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 the other Borrower or any other person;
- (h) any amendment, novation, supplement, extension, restatement (however fundamental, and whether or not more onerous) or replacement of a Finance Document or any other document or security including, without limitation, any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (i) any unenforceability, illegality or invalidity of any obligation or any person under any Finance Document or any other document or security; or
- (j) any insolvency or similar proceedings.



### **17.3 Principal Debtor**

Each Borrower declares that it is and will, throughout the Security Period, remain a principal debtor for all amounts owing under this Agreement and the Finance Documents and no Borrower shall, in any circumstances, be construed to be a surety for the obligations of the other Borrower under this Agreement.

### **17.4 Borrower restrictions**

- (a) Subject to paragraph (b) below, during the Security Period no Borrower shall:
- (i) claim any amount which may be due to it from the 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 the other Borrower for such an amount, or in any way seek to have recourse in respect of such an amount against any asset of the other Borrower; or
  - (iii) set off such an amount against any sum due from it to the other Borrower; or
  - (iv) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving the 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 the other Borrower, that Borrower shall take that action as soon as practicable after receiving the Facility Agent's notice.

### **17.5 Deferral of Borrowers' rights**

Until all amounts which may be or become payable by the Borrowers under or in connection with the Finance Documents have been irrevocably paid in full and unless the Facility Agent otherwise directs, no Borrower will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents:

- (a) to be indemnified by the other Borrower; or
- (b) to claim any contribution from the other Borrower in relation to any payment made by it under the Finance Documents.

**SECTION 8**  
**REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**

**18 REPRESENTATIONS**

**18.1 General**

Each Borrower makes the representations and warranties set out in this Clause 18 (*Representations*) to each Finance Party on the date of this Agreement.

**18.2 Status**

- (a) It is a corporation, duly incorporated and validly existing in good standing under the law of its jurisdiction of incorporation.
- (b) It and each Transaction Obligor has the power to own its assets and carry on its business as it is being conducted.

**18.3 Share capital and ownership**

- (a) Each Borrower is authorised to issue 500 registered shares of no par value common stock, all of which shares have been issued in registered form and are fully paid and non-assessable.
- (b) The legal title to and beneficial interest in the issued shares in each Borrower is held free of any Security or any other claim by the Shareholder and each Borrower is 100 per cent. owned indirectly by the Guarantor.
- (c) None of the issued shares in any Borrower is subject to any option to purchase, pre-emption rights or similar rights.

**18.4 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.

**18.5 Validity, effectiveness and ranking of Security**

- (a) Each Finance Document to which it is a party does now or, as the case may be, will upon execution and delivery and, where applicable, registration as provided for in that Finance Document create the Security it purports to create over any assets to which such Security, by its terms, relates, and such Security will, when created or intended to be created, be valid and effective.
- (b) No third party has or will have any Security (except for Permitted Security) over any assets that are the subject of any Transaction Security granted by it.
- (c) The Transaction Security granted by it to the Security Agent or any other Secured Party has or will when created or intended to be created have first ranking priority or such other priority it is expressed to have in the Finance Documents and is not subject to any prior ranking or *pari passu* ranking Security.
- (d) No concurrence, consent or authorisation of any person is required for the creation of or otherwise in connection with any Transaction Security.

#### **18.6 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.

#### **18.7 Power and authority**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise:
  - (i) its entry into, performance and delivery of, each Transaction Document to which it is or will be a party and the transactions contemplated by those Transaction Documents; and
  - (ii) in the case of a Borrower, its registration of the Ship to be owned by it under the applicable Approved Flag.
- (b) No limit on its powers will be exceeded as a result of the borrowing, granting of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which it is a party.

#### **18.8 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.

#### **18.9 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.

#### **18.10 Insolvency**

No:

- (a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 26.8 (*Insolvency proceedings*); or
- (b) creditors' process described in Clause 26.9 (*Creditors' process*),  
has been taken or, to its knowledge, threatened in relation to a member of the Group; and none of the circumstances described in Clause 26.7 (*Insolvency*) applies to a member of the Group.

#### **18.11 No filing or stamp taxes**

Under the laws of its Relevant Jurisdictions it is not necessary that the Finance Documents to which it is a party be registered, filed, recorded, notarised or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents to which it is a party or the transactions contemplated by those Finance Documents except any filing, recording or enrolling or any tax or fee payable in relation to any Transaction Obligor which is referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*) and which will be made or paid promptly after the date of the relevant Finance Document.

#### **18.12 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.

#### **18.13 No default**

- (a) No Event of Default and, on the date of this Agreement and on each Utilisation Date, no Default is continuing or might reasonably be expected to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes a default or a termination event (however described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

#### **18.14 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.

### **18.15 Financial Statements**

- (a) The Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) The Original Financial Statements give a true and fair view of the Group's financial condition as at the end of the relevant financial year and its and the Group's results of operations during the relevant financial year.
- (c) There has been no material adverse change in its assets, business or financial condition (or the assets, business or consolidated financial condition of the Group, in the case of the Guarantor) since the date of the Group's most recent financial statements delivered pursuant to Clause 19.2 (*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 19.2 (*Financial statements*):
  - (i) have been prepared in accordance with Clause 19.3 (*Requirements as to financial statements*); and
  - (ii) give a true and fair view of (if audited) or fairly represent (if unaudited) its financial condition as at the end of the relevant financial year and operations during the relevant financial year (consolidated in the case of the Guarantor).
- (e) Since the date of the most recent financial statements delivered pursuant to Clause 19.2 (*Financial statements*) there has been no material adverse change in its business, assets or financial condition (or the business or consolidated financial condition of the Group, in the case of the Guarantor).

### **18.16 *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.

### **18.17 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.

**18.18 Validity and completeness of the Shipbuilding Contract**

- (a) Each Shipbuilding Contract constitute legal, valid, binding and enforceable obligations of the Builder.
- (b) The copies of each Shipbuilding Contract delivered to the Facility Agent before the date of this Agreement are true and complete copies.
- (c) No amendments or additions to each Shipbuilding Contract have been agreed nor have any rights under each Shipbuilding Contract been waived.

**18.19 No rebates etc.**

There is no agreement or understanding to allow or pay any rebate, premium, inducement, commission, discount or other benefit or payment (however described) to either Borrower or any other member of the Group, the Builder or a third party in connection with the purchase by a Borrower of a Ship, other than as disclosed to the Facility Agent in writing on or before the date of this Agreement.

**18.20 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.

**18.21 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.

**18.22 No Charter**

No Ship is subject to any Charter other than a Permitted Charter.

**18.23 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.

**18.24 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.

**18.25 No Environmental Incident**

No Environmental Incident has occurred and no person has claimed that an Environmental Incident has occurred.

**18.26 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.

**18.27 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 a Borrower's knowledge are reasonably likely to be, made or conducted against it (or any other member of the Group) with respect to Taxes.

**18.28 Financial Indebtedness**

No Borrower has any Financial Indebtedness outstanding other than Permitted Financial Indebtedness.

**18.29 Overseas companies**

No Borrower has delivered particulars, whether in its name stated in the Finance Documents or any other name, of any UK Establishment to the Registrar of Companies as required under the Overseas Regulations or, if it has so registered, it has provided to the Facility Agent sufficient details to enable an accurate search against it to be undertaken by the Lenders at the Companies Registry.

**18.30 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.

**18.31 Ownership**

- (a) Each Borrower is the sole legal and beneficial owner of all rights and interest which each of the relevant Shipbuilding Contract creates in favour of that Borrower.
- (b) With effect on and from each Delivery Date, each Borrower will be the sole legal and beneficial owner of each relevant Ship, its Earnings and its Insurances.
- (c) The Shareholder is the sole legal and beneficial owner of all the shares in each Borrower.
- (d) The Guarantor is the sole legal and beneficial owner of all the issued shares in the Shareholder.

- (e) 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.
- (f) The constitutional documents of each Borrower 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.

**18.32 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 within the European Union and/or the state of Approved Flag and it has no “establishment” (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

**18.33 Place of business**

No Transaction Obligor has a place of business in the US (save for the Guarantor) or the United Kingdom and its head office functions are carried out at the address stated in Part A of Schedule 1 (*The Parties*).

**18.34 No employee or pension arrangements**

No Borrower has any employees or any liabilities under any pension scheme.

**18.35 Sanctions**

- (a) No Transaction Obligor, and none of its Subsidiaries and none of their respective directors or officers:
  - (i) is a Prohibited Person or is otherwise owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Person;
  - (ii) owns or controls or is an Affiliate of a Prohibited Person; or
  - (iii) has received notice of or is aware of any claim, action, suit, proceedings or investigation against it with respect to Sanctions.
- (b) Each Transaction Obligor, its Subsidiaries and their respective directors and officers are in compliance with Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in such Transaction Obligor being designated as a Prohibited Person.
- (c) Each Borrower has instituted and maintains adequate policies and procedures designed to promote and achieve compliance by the members of the Group with applicable Sanctions.
- (d) None of the Ships is a Sanctioned Ship.



### **18.36 Anti-money laundering**

- (a) Each Borrower and each other member of the Group has conducted and conduct its businesses in compliance with anti-fraud, anti-bribery, anti-corruption and anti-terrorism laws and Anti-Money Laundering Laws applicable to it.
- (b) Each Borrower has instituted and maintains adequate general policies and procedures designed to promote and achieve compliance by it and the other members of the Group with the laws referred to in paragraph (a) above.
- (c) Neither Borrower nor any other member of the Group (nor any director or officer nor, to the best of its knowledge, any employee of any member of the Group) is subject to or involved in any inquiry, claim, action, suit, proceeding or investigation against it, in each case in relation to any the laws referred to in paragraph (a) above.

### **18.37 US Tax Obligor**

No Transaction Obligor is a US Tax Obligor.

### **18.38 Repetition**

The Repeating Representations are deemed to be made by each Borrower by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.

## **19 INFORMATION UNDERTAKINGS**

### **19.1 General**

The undertakings in this Clause 19 (*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.

### **19.2 Financial statements**

The Borrowers procure that the Guarantor shall supply to the Facility Agent in sufficient copies for all the Lenders:

- (a) as soon as they become available, but in any event within 180 days after the end of each of the Guarantor's financial years, commencing with the financial year ended on 31 December 2022, the annual audited consolidated financial 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 quarter of each of the Guarantor's financial years (ending 31 March, 30 June and 30 September), the unaudited consolidated quarterly financial statements of the Group for that financial quarter starting with the quarter ended 30 September 2022.

### **19.3 Requirements as to financial statements**

- (a) Each set of financial statements delivered by the Guarantor pursuant to Clause 19.2 (*Financial statements*) shall be certified by an officer of the company as giving a true and fair view (if audited) or fairly representing (if unaudited) its financial condition and operations as at the date as at which those financial statements were drawn up if it has not been filed with the US Securities and Exchange Commission.

- (b) The Borrowers shall procure that each set of financial statements of the Guarantor delivered pursuant to Clause 19.2 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Group unless, in relation to any set of financial statements, it notifies the Facility Agent that there has been a change in GAAP, the accounting practices or reference periods, unless such change is described in the filings made with the US Securities and Exchange Commission, and its auditors (or, if appropriate, the auditors of the Guarantor) deliver to the Facility Agent:
- (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Original Financial Statements were prepared; and
  - (ii) sufficient information, in form and substance as may be reasonably required by the Facility Agent, to enable the Lenders to determine whether clause 10 (*financial covenants*) of the Guarantee has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Guarantor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

#### **19.4 DAC6**

- (a) In this Clause 19.4 (*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).

### 19.5 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 the contents of such communication have already been disclosed in the filings made with the US Securities and Exchange Commission;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigations (including proceedings or investigations relating to any alleged or actual breach of the ISM Code or of the ISPS Code) which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which might have a Material Adverse Effect or which would involve a liability, or a potential or alleged liability, exceeding \$1,000,000 (or its equivalent in any other currency);
- (d) promptly, its constitutional documents where these have been amended or varied unless, in respect of the Guarantor, these changes have been disclosed in the filings with the US Securities and Exchange Commission;
- (e) promptly, such further information and/or documents regarding:
  - (i) each Ship, goods transported on each Ship, its Earnings and its Insurances;
  - (ii) the Security Assets;
  - (iii) compliance of the Transaction Obligors with the terms of the Finance Documents;
  - (iv) the financial condition, business and operations of any member of the Group,as any Finance Party (through the Facility Agent) may reasonably request; and
- (f) promptly, such further information and/or documents as any Finance Party (through the Facility Agent) may reasonably request so as to enable such Finance Party to comply with any laws applicable to it or as may be required by any regulatory authority.

### 19.6 Notification of Default

- (a) Each Borrower shall, and shall procure that each other Transaction Obligor shall, notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Facility Agent, each Borrower shall supply to the Facility Agent a certificate signed by an officer on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

### 19.7 Use of websites

- (a) Each Obligor may satisfy its obligation under the Finance Documents to which it is a party to deliver any information in relation to those Lenders (the “**Website Lenders**”) which accept this method of communication by posting this information onto an electronic website designated by the Borrowers and the Facility Agent (the “**Designated Website**”) if:
  - (i) the Facility Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

- (ii) both the relevant Obligor and the Facility Agent are aware of the address of and any relevant password specifications for the Designated Website; and
- (iii) the information is in a format previously agreed between the relevant Obligor and the Facility Agent.

If any Lender (a “**Paper Form Lender**”) does not agree to the delivery of information electronically then the Facility Agent shall notify the Obligors accordingly and each Obligor shall supply the information to the Facility Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event each Obligor shall supply the Facility Agent with at least one copy in paper form of any information required to be provided by it.

- (b) The Facility Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Obligors or any of them and the Facility Agent.
- (c) A Borrower shall promptly upon becoming aware of its occurrence notify the Facility Agent if:
  - (i) the Designated Website cannot be accessed due to technical failure;
  - (ii) the password specifications for the Designated Website change;
  - (iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;
  - (iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or
  - (v) if that Obligor becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If a Borrower notifies the Facility Agent under sub-paragraph (i) or (v) of paragraph (c) above, all information to be provided by the Obligors under this Agreement and the other Finance Documents after the date of that notice shall be supplied in paper form unless and until the Facility Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

- (d) Any Website Lender may request, through the Facility Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Borrowers shall comply with any such request within 10 Business Days.

#### **19.8 “Know your customer” checks**

- (a) If:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;

- (ii) any change in the status of a Transaction Obligor (including, without limitation, a change of ownership of a Transaction Obligor save for the Guarantor) after the date of this Agreement; or
- (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges a Finance Party (or, in the case of sub-paragraph (iii) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Borrower shall promptly upon the request of any Finance Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by a Servicing Party (for itself or on behalf of any other Finance Party) or any Lender (for itself or, in the case of the event described in sub-paragraph (iii) above, on behalf of any prospective new Lender) in order for such Finance Party or, in the case of the event described in sub-paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of a Servicing Party supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Servicing Party (for itself) in order for that Servicing Party to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

## **20 GENERAL UNDERTAKINGS**

### **20.1 General**

The undertakings in this Clause 20 (*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.

### **20.2 Authorisations**

Each Borrower shall, and shall procure that each other Transaction Obligor will, promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect;
- (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.

### **20.3 Compliance with laws**

Each Borrower 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.

### **20.4 Environmental compliance**

Each Borrower 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.

### **20.5 Environmental Claims**

Each Borrower shall, and shall procure that each other Transaction Obligor will, (through the Guarantor), promptly upon becoming aware of the same, inform the Facility Agent in writing of:

- (a) any Environmental Claim against any member of the Group 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.

### **20.6 Taxation**

- (a) Each Borrower shall, and shall procure that each other Transaction Obligor will pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
  - (i) such payment is being contested in good faith;
  - (ii) adequate reserves are maintained for those Taxes and the costs required to contest them and both have been disclosed in its latest financial statements delivered to the Facility Agent under Clause 19.2 (*Financial statements*); and
  - (iii) such payment can be lawfully withheld and failure to pay those Taxes does not have or is not reasonably likely to have a Material Adverse Effect.
- (b) No Borrower shall change its residence for Tax purposes.

## 20.7 Overseas companies

Each Borrower shall, and shall procure that each other Transaction Obligor will, promptly inform the Facility Agent if it delivers to the Registrar particulars required under the Overseas Regulations of any UK Establishment and it shall comply with any directions given to it by the Facility Agent regarding the recording of any Transaction Security on the register which it is required to maintain under The Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009.

## 20.8 No change to centre of main interests

Each Borrower shall not change the location of its centre of main interest (as that term is used in Article 3(1) of the Regulation) to either jurisdiction referred to in Clause 18.32 (*Centre of main interests and establishments*) and it will create no “**establishment**” (as that term is used in Article 2(10) of the Regulation) in any jurisdiction.

## 20.9 *Pari passu* ranking

Each Borrower shall and shall procure that each other Transaction Obligor will, ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

## 20.10 Title

- (a) Each Borrower shall hold the legal title to, and own the entire beneficial interest in:
  - (i) the relevant Shipbuilding Contract;
  - (ii) with effect from the Delivery Date, each Ship, its Earnings and its Insurances.
- (b) With effect on and from its creation or intended creation, each Borrower shall 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 Borrower.
- (c) Each Borrower shall procure that the Guarantor shall hold the legal title to, and own the entire beneficial interest in with effect on and from its creation or intended creation, any assets the subject of any Transaction Security created or intended to be created by the Guarantor.

## 20.11 Negative pledge

- (a) No Borrower shall, and 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 members of the Group other than the Borrowers, the subject of the Security created or intended to be created by the Finance Documents.

- (b) No Borrower shall:
- (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by a Transaction Obligor or any other member of the Group;
  - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect,
- in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to any Permitted Security.

#### **20.12 Disposals**

- (a) No Borrower shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset (including without limitation any Ship, its Earnings or its Insurances).
- (b) Paragraph (a) above does not apply to any Charter as all Charters are subject to Clause 23.16 (*Restrictions on chartering, appointment of managers etc.*).

#### **20.13 Merger**

No Borrower shall, and shall procure that the Guarantor shall not enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction except in circumstances where the Guarantor is the surviving entity of any such event and there is no Material Adverse Effect on the Guarantor.

#### **20.14 Change of business**

- (a) Each Borrower shall procure that no substantial change is made to the general nature of the business of the Guarantor or the Group from that carried on at the date of this Agreement.
- (b) No Borrower shall engage in any business other than the ownership and operation of its Ship.

#### **20.15 Financial Indebtedness**

No Borrower shall incur or permit to be outstanding any Financial Indebtedness except Permitted Financial Indebtedness.

#### **20.16 Expenditure**

No Borrower shall incur any expenditure, except for expenditure reasonably incurred in the ordinary course of owning, operating, maintaining and repairing its Ship.

#### **20.17 Share capital**

No Borrower shall:

- (a) purchase, cancel, redeem or retire any of its issued shares;



- (b) increase or reduce the number of shares that it is authorized to issue or change the par value of such shares or create any new class of shares;
- (c) issue any further shares except to the 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; or
- (d) appoint any further director, officer or secretary of that Borrower (unless the provisions of the Shares Security applicable to that Borrower are complied with).

**20.18 Dividends**

No Borrower shall, and shall procure that the Guarantor shall not following the occurrence of a Default which is continuing or where any of the following would result in the occurrence of an Event of Default:

- (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.

**20.19 Other transactions**

No Borrower shall:

- (a) be the creditor in respect of any loan or any form of credit to any person other than another Obligor and where such loan or form of credit is in the ordinary course of its business and in a manner acceptable to the Facility Agent;
- (b) give or allow to be outstanding any guarantee or indemnity in the ordinary course of its business in aggregate not more than \$500,000 to or for the benefit of any person in respect of any obligation of any other person or enter into any document under which that Borrower assumes any liability of any other person other than any guarantee or indemnity given under the Finance Documents;
- (c) enter into any material agreement other than:
  - (i) the Transaction Documents;
  - (ii) any other agreement expressly allowed under any other term of this Agreement; and
- (d) enter into any transaction on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length; or
- (e) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks.

**20.20 Unlawfulness, invalidity and ranking; Security imperilled**

No Borrower shall, and shall procure that no other Transaction Obligor will, do (or fail to do) or cause or permit another person to do (or omit to do) anything which is likely to:

- (a) make it unlawful or contrary to Sanctions 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.

**20.21 Sanctions undertakings**

- (a) No proceeds of the Loan or any part of the Loan shall be made available, directly or indirectly, to or for the benefit of a Prohibited Person nor shall they be otherwise, directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions, or to fund any activity in a Sanctioned Country or in any manner which would cause any Finance Party to be in breach of or made subject to Sanctions, or at risk of being in breach of or made subject to Sanctions.
- (b) No Transaction Obligor shall fund all or any part of any payment or repayment under the Loan out of proceeds directly or indirectly derived from any activity in a Sanctioned Country or any transaction with a Prohibited Person, or out of proceeds directly or indirectly derived from any other transactions which would be prohibited by Sanctions or in any other manner which would cause any Finance Party to be in breach of or made subject to Sanctions, or at risk of being in breach of or made subject to Sanctions and no such proceeds shall be paid into any Account.
- (c) No Transaction Obligor shall directly or indirectly engage in any transaction, activity or conduct that would cause a Finance Party to be in breach of Sanctions or that could reasonably be expected to result in it being designated as a Prohibited Person.
- (d) Each of the Transaction Obligors has implemented and shall maintain in effect a Sanctions compliance policy which is designed to ensure compliance by each such Transaction Obligor, its Subsidiaries and their respective directors, officers, employees and agents with Sanctions.

**20.22 Anti-corruption, anti-bribery, anti-money laundering and anti-terror financing**

- (a) Neither Borrower nor the Guarantor shall (and each Borrower shall procure that no other member of the Group will) directly or indirectly use the proceeds of the Facility for any purpose which would breach any applicable anti-fraud, anti-bribery, anti-corruption and/or anti-terrorism laws or Anti-Money Laundering Laws.
- (b) Each Borrower shall maintain adequate policies and procedures designed to promote and achieve compliance by it and the other members of the Group with any applicable anti-fraud, anti-bribery, anti-corruption and anti-terrorism laws and Anti-Money Laundering Laws.

## 20.23 Further assurance

- (a) Each Borrower shall, and shall procure that each other Transaction Obligor will, and in any event within the time period specified by the Security Agent do all such acts (including procuring or arranging any registration, notarisation or authentication or the giving of any notice) or execute or procure execution of all such documents (including assignments, transfers, mortgages, charges, notices, instructions, acknowledgments, proxies and powers of attorney), as the Security Agent may specify (and in such form as the Security Agent may require in favour of the Security Agent or its nominee(s)):
- (i) to create, perfect, vest in favour of the Security Agent or protect the priority of the Security or any right of any kind created or intended to be created under or evidenced by the Finance Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of any of the Secured Parties provided by or pursuant to the Finance Documents or by law;
  - (ii) to confer on the Security Agent or confer on the Secured Parties Security over any property and assets of that Transaction Obligor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Finance Documents;
  - (iii) to facilitate or expedite the realisation and/or sale of, the transfer of title to or the grant of, any interest in or right relating to the assets which are, or are intended to be, the subject of the Transaction Security or to exercise any power specified in any Finance Document in respect of which the Security has become enforceable; and/or
  - (iv) to enable or assist the Security Agent to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to any item of the Security Property.
- (b) Each Borrower shall, and shall procure that each other Transaction Obligor will, take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Finance Documents.
- (c) At the same time as a Borrower delivers to the Security Agent any document executed by itself or another Transaction Obligor pursuant to this Clause 20.21 (*Further assurance*), that Borrower shall deliver, or shall procure that such other Transaction Obligor will deliver, to the Security Agent a certificate signed by one of that Borrower's or Transaction Obligor's officers which shall:
- (i) set out the text of a resolution of that Borrower's or Transaction Obligor's directors 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 Borrower's or Transaction Obligor's articles of incorporation or limited partnership agreement, as applicable.

## **20.24 No change in financial year**

The Borrowers shall procure that the Guarantor shall not change the end of its financial year.

## **21 INSURANCE UNDERTAKINGS**

### **21.1 General**

The undertakings in this Clause 21 (*Insurance Undertakings*) remain in force on and from the relevant Delivery Date 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.

### **21.2 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.

### **21.3 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 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 Ship owned by it;
- (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.

#### **21.4 Further protections for the Finance Parties**

In addition to the terms set out in Clause 21.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances effected by it shall:

- (a) subject always to paragraph (b), name that Borrower, the Guarantor or any Approved Manager as the named assured or co-assured unless the interest of every other named assured is limited:
    - (i) in respect of any obligatory insurances for hull and machinery and war risks;
      - (A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and
      - (B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and
    - (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;
- 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.

#### **21.5 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.

**21.6 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 21.4 (*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.

### **21.7 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.

### **21.8 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.

### **21.9 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.

### **21.10 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.

### **21.11 Compliance with terms of insurances**

- (a) No Borrower shall do or omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part.
- (b) Without limiting paragraph (a) above, each Borrower shall:
  - (i) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in sub-paragraph (iii) of paragraph (b) of Clause 21.6 (*Copies of policies; letters of undertaking*)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Facility Agent has not given its prior approval;
  - (ii) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
  - (iii) make (and promptly supply copies to the Facility Agent of) all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and

- (iv) not employ the Ship owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

**21.12 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.

**21.13 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.

**21.14 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.

**21.15 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 21.16 (*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.

#### **21.16 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, in an amount which equals 110 per cent. of the Loan, and a mortgagee's interest additional perils insurance, in an amount which equals 100 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.

## **22 SHIPBUILDING CONTRACT UNDERTAKINGS**

### **22.1 General**

The undertakings in this Clause 22 (*Shipbuilding Contract 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 No variation, release etc. of Shipbuilding Contracts**

Each Borrower shall not, whether by a document, by conduct, by acquiescence or in any other way:

- (a) vary the relevant Shipbuilding Contract in any material way;
- (b) release, waive, suspend, subordinate or permit to be lost or impaired any interest or right of any kind which each Borrower has at any time to, in or in connection with the relevant Warranty or in relation to any matter arising out of or in connection with the relevant Warranty;
- (c) waive any person's breach of the relevant Warranty; or
- (d) rescind or terminate the relevant Shipbuilding Contract or treat itself as discharged or relieved from further performance of any of its obligations or liabilities under the relevant Shipbuilding Contract.

### **22.3 Action to protect validity of Shipbuilding Contract**

Each Borrower shall use its reasonable endeavours to ensure that all interests and rights conferred by the relevant Shipbuilding Contract remain valid and enforceable in all respects and retain the priority which they were intended to have.

## **22.4 No assignment etc. of Shipbuilding Contracts**

Save as permitted by the Finance Documents, each Borrower shall not assign, novate, transfer or dispose of any of its rights or obligations under the relevant Shipbuilding Contract.

## **22.5 Provision of information relating to Shipbuilding Contracts**

Without prejudice to Clause 19.5 (*Information: miscellaneous*) each Borrower shall:

- (a) immediately inform the Facility Agent if any breach of the relevant Shipbuilding Contract occurs or a serious risk of such a breach arises and of any other event or matter affecting the relevant Shipbuilding Contract which has or is reasonably likely to have a Material Adverse Effect; and
- (b) upon reasonable request of the Facility, keep the Facility Agent informed as to the Delivery Date of the Ship to be owned by it.

## **23 SHIP UNDERTAKINGS**

### **23.1 General**

The undertakings in this Clause 22 (*Ship Undertakings*) remain in force on and from the relevant Delivery Date and throughout the rest of the Security Period except as the Facility Agent, acting with the authorisation of the Majority Lenders (or, where specified, all the Lenders) may otherwise permit.

### **23.2 Ships' names and registration**

Each Borrower shall, in respect of the Ship owned by it:

- (a) keep that Ship registered in its name under the Approved Flag from time to time at its port of registration;
- (b) not do or allow to be done anything as a result of which such registration might be suspended, cancelled or imperilled;
- (c) not enter into any dual flagging arrangement in respect of that Ship; and
- (d) not change the name of that Ship,

**provided that** any 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.

### **23.3 Repair and classification**

Each Borrower shall keep the Ship owned by it in a good and safe condition and state of repair:

- (a) consistent with first class ship ownership and management practice; and
- (b) so as to maintain the Approved Classification free of overdue recommendations and conditions.

### **23.4 Classification society undertaking**

Each Borrower shall, in respect of the Ship owned by it, instruct the Approved Classification Society (and procure (and in relation to paragraph (a) below, use reasonable endeavours to procure) that the Approved Classification Society undertakes with the Security Agent):

- (a) to send to the Security Agent, following receipt of a written request from the Security Agent, certified true copies of all original class records held by the Approved Classification Society in relation to that Ship;
- (b) to allow the Security Agent (or its agents), at any time and from time to time, to inspect the original class and related records of that Borrower and that Ship at the offices of the Approved Classification Society and to take copies of them;
- (c) to notify the Security Agent immediately in writing if the Approved Classification Society:
  - (i) receives notification from that Borrower or any person that that Ship's Approved Classification Society is to be changed; or
  - (ii) becomes aware of any facts or matters which may result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of that Ship's class under the rules or terms and conditions of that Borrower or that Ship's membership of the Approved Classification Society;
- (d) following receipt of a written request from the Security Agent:
  - (i) to confirm that that Borrower is not in default of any of its contractual obligations or liabilities to the Approved Classification Society, including confirmation that it has paid in full all fees or other charges due and payable to the Approved Classification Society; or
  - (ii) to confirm that that Borrower is in default of any of its contractual obligations or liabilities to the Approved Classification Society, to specify to the Security Agent in reasonable detail the facts and circumstances of such default, the consequences of such default, and any remedy period agreed or allowed by the Approved Classification Society.

### **23.5 Modifications**

No Borrower shall make any modification or repairs to, or replacement of, any Ship or equipment installed on it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

### **23.6 Removal and installation of parts**

- (a) Subject to paragraph (b) below, no Borrower shall remove any material part of any Ship, or any item of equipment installed on any Ship unless:
- (i) the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed;
  - (ii) the replacement part or item is free from any Security in favour of any person other than the Security Agent; and
  - (iii) the replacement part or item becomes, on installation on that Ship, the property of that Borrower and subject to the security constituted by the Mortgage on that Ship and, if applicable, the related Deed of Covenant.
- (b) A Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by that Borrower.

### **23.7 Surveys**

Each Borrower shall submit the Ship owned by it regularly to all periodic or other surveys which may be required for classification purposes and, if so required by the Facility Agent acting on the instructions of the Majority Lenders, provide the Facility Agent, with copies of all survey reports.

### **23.8 Inspection**

Each Borrower shall permit the Security Agent (acting through surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all reasonable times and provided there is no interference with that Ship's operation to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections. The cost of the inspection shall be borne by the Borrowers once per annum, unless an Event of Default has occurred, in which case the cost of all inspections while the Event of Default is continuing shall be borne by the Borrowers.

### **23.9 Prevention of and release from arrest**

- (a) Each Borrower shall, in respect of the Ship owned by it, promptly discharge:
- (i) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against that Ship, its Earnings or its Insurances;
  - (ii) all Taxes, dues and other amounts charged in respect of that Ship, its Earnings or its Insurances; and
  - (iii) all other outgoings whatsoever in respect of that Ship, its Earnings or its Insurances.
- (b) Each Borrower shall immediately upon receiving notice of the arrest of the Ship owned by it or of its detention in exercise or purported exercise of any lien or claim, take all steps necessary to procure its release by providing bail or otherwise as the circumstances may require.

**23.10 Compliance with laws etc.**

Each Borrower shall:

- (a) comply, or procure compliance with all laws or regulations:
  - (i) relating to its business generally; and
  - (ii) relating to the Ship owned by it, its ownership, employment, operation, management and registration, including, but not limited to, the ISM Code, the ISPS Code, all Environmental Laws, all Sanctions and the laws of the Approved Flag; and
- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any Environmental Approvals; and

**23.11 ISPS Code**

Without limiting paragraph (a) of Clause 23.10 (*Compliance with laws etc.*), each Borrower shall:

- (a) procure that the Ship owned by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code; and
- (b) maintain an ISSC for that Ship; and
- (c) notify the Facility Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

**23.12 Sanctions and Ship trading**

Without limiting Clause 23.10 (*Compliance with laws etc.*), each Borrower shall procure:

- (a) that the Ship owned by it shall not be used by or for the benefit of a Prohibited Person or in trading to or from a Sanctioned Country;
- (b) that the Ship owned by it shall not otherwise be used in any manner contrary to Sanctions or in a manner that a Transaction Obligor will become a Prohibited person;
- (c) that the Ship owned by it shall not be used in trading in any manner that such Ship will become a Sanctioned Ship;
- (d) that the Ship owned by it shall not be traded in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances; and
- (e) without prejudice to the above provisions of this Clause 23.12 (*Sanctions and Ship trading*), that each time charterparty in respect of the Ship owned by it shall contain, for the benefit of that Borrower, language which gives effect to the provisions of paragraph (a) of Clause 23.10 (*Compliance with laws etc.*) as regards Sanctions and paragraph (b) and (c) of this Clause 23.12 (*Sanctions and Ship trading*) and which charterparty permits refusal of employment or voyage orders if such employment or compliance with such orders either results in non-compliance with such provisions or breaches Sanctions (or which would result in a breach of Sanctions if Sanctions were binding on each Borrower).

### **23.13 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).

### **23.14 Provision of information**

Without prejudice to Clause 19.5 (*Information: miscellaneous*) each Borrower shall, in respect of the Ship owned by it, promptly provide the Facility Agent with any information which it requests regarding:

- (a) that Ship, its employment, position and engagements;
- (b) the Earnings and payments and amounts due to its master and crew;
- (c) any expenditure incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made by it in respect of that Ship;
- (d) any towages and salvages; and
- (e) its compliance, the Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code,

and, upon the Facility Agent's request, promptly provide copies of any current Charter relating to that Ship, of any current guarantee of any such Charter, the Ship's Safety Management Certificate and any relevant Document of Compliance.

### **23.15 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.

**23.16 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 a Management Agreement in any way that would lead to an Event of Default or terminate a Management Agreement;
- (d) appoint a manager of that Ship other than an Approved Manager;
- (e) de activate or lay up that Ship; or
- (f) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless the relevant Borrower ensures that that person has first given to the Security Agent and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or its Earnings for the cost of such work or for any other reason.

**23.17 Notice of Mortgage**

Each Borrower shall keep the Mortgage registered against the Ship owned by it as a valid first preferred mortgage, carry on board that Ship a certified copy of the Mortgage and place and maintain in a conspicuous place in the navigation room and the master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Agent.

**23.18 Sharing of Earnings**

No Borrower shall enter into any agreement or arrangement for the sharing of any Earnings other than any profit-sharing arrangements on arm's length terms.

### **23.19 Charterparty Assignment**

If any Borrower enters into an Assignable Charter that Borrower shall promptly after the date of such Assignable Charter enter into a Charterparty Assignment and the assignment contemplated thereunder shall be notified to the relevant charterer and any charter guarantor in accordance with the terms of such Charterparty Assignment and that Borrower shall use its commercially reasonable endeavours to obtain an acknowledgment of that Charterparty Assignment from the relevant Charterer and/or charter guarantor, and shall additionally deliver to the Facility Agent such other documents relevant to that Borrower and that Ship equivalent to those referred to at paragraphs 1.2, 1.3, 1.5, 1.8, 2, 6.1 and 6.5 of Part A of Schedule 2 (*Conditions Precedent*) as the Facility Agent may require.

### **23.20 Inventory of Hazardous Materials**

Each Borrower shall procure that the Ship owned by it has, from the Delivery Date and/or next dry dock of that Ship, obtained an Inventory of Hazardous Materials, in respect of such Ship which shall be maintained until the Loan has been fully repaid.

### **23.21 Sustainable and socially responsible dismantling of Ships**

Each Borrower confirms that it will procure that the Ship owned by it shall be dismantled in a safe, sustainable and socially and environmentally responsible way and shall include, without limitation, the requirement that such Ship is recycled at a recycling yard which conducts its recycling business in a safely, socially and environmentally responsible manner and, to the extent applicable, 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.

### **23.22 Event of Default which is continuing**

Following the occurrence of an Event of Default which is continuing, each Borrower shall navigate its Ship to such areas as the Facility Agent acting on the instructions of the Majority Lenders may request.

### **23.23 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 22 (*Ship Undertakings*).

## **24 SECURITY COVER**

### **24.1 Minimum required security cover**

Clause 24.2 (*Provision of additional security; prepayment*) applies if the Facility Agent notifies the Borrowers that:

- (a) the aggregate Market Value of the Ships; plus



- (b) the net realisable value of additional Security previously provided under this Clause 24 (*Security Cover*), is below 125 per cent. of the Loan.

**24.2 Provision of additional security; prepayment**

- (a) If the Facility Agent serves a notice on the Borrowers under Clause 24.1 (*Minimum required security cover*), the Borrowers shall, on or before the date falling 30 Business Days after the date on which the Facility Agent's notice is served (the "**Prepayment Date**"), prepay such part of the Loan as shall eliminate the shortfall.
- (b) The Borrowers may, instead of making a prepayment as described in paragraph (a) above, provide, or ensure that a third party has provided, additional security which, in the opinion of the Facility Agent acting on the instructions of the Majority Lenders:
- (i) has a net realisable value at least equal to the shortfall; and
  - (ii) is documented in such terms as the Facility Agent may approve or require,
- before the Prepayment Date; and conditional upon such security being provided in such manner, it shall satisfy such prepayment obligation.

**24.3 Value of additional vessel security**

The net realisable value of any additional security which is provided under Clause 24.2 (*Provision of additional security; prepayment*) and which consists of Security over a vessel shall be the Market Value of the vessel concerned.

**24.4 Valuations binding**

Any valuation under this Clause 24 (*Security Cover*) shall be binding and conclusive as regards each Borrower.

**24.5 Provision of information**

- (a) Each Borrower shall promptly provide the Facility Agent and any shipbroker acting under this Clause 24 (*Security Cover*) with any information which the Facility Agent or the shipbroker may request for the purposes of the valuation.
- (b) If any Borrower fails to provide the information referred to in paragraph (a) above by the date specified in the request, the valuation may be made on any basis and assumptions which the shipbroker or the Facility Agent considers prudent.

**24.6 Prepayment mechanism**

Any prepayment pursuant to Clause 24.2 (*Provision of additional security; prepayment*) shall be made in accordance with the relevant provisions of Clause 7 (*Prepayment and Cancellation*), and each such prepayment shall reduce each Tranche *pro rata* by reducing the Repayment Instalments and the Balloon Instalment in respect of that falling after such prepayment on a *pro rata* basis by the amount prepaid.

## **24.7 Provision of valuations**

- (a) For the purpose of the Utilisation and subject to paragraph (b) below, the Market Value of any Ship shall be determined by reference to the valuation of that Ship as given by an Approved Valuer selected and appointed by the Borrowers and addressed to the Facility Agent or in the event that the Borrowers fail to do so appointed by the Facility Agent. The Facility Agent shall, in its full discretion be entitled to request a second valuation from an Approved Valuer selected and appointed by the Facility Agent, in which case, the Market Value shall be the arithmetic average of the two valuations.
- (b) If the two valuations in respect of a Ship obtained pursuant to paragraph (a) above differ by at least 10 per cent., then a third valuation for that Ship shall be obtained from a third Approved Valuer selected by the Facility Agent, appointed by the Facility Agent and such valuation shall be addressed to the Facility Agent and the Market Value of that Ship shall be the arithmetic average of all three such valuations.
- (c) The Facility Agent shall be entitled, after the Utilisation Date, to test the security cover requirement under Clause 24.1 (*Minimum required security cover*) by reference to the Market Value of any Ship as determined in accordance with paragraphs (a) to (b) above, semi-annually during the Security Period.
- (d) The Facility Agent shall ascertain compliance with clause 10 (*financial covenants*) of the Guarantee by reference to the market value of the Fleet Vessels as provided in the Latest Accounts (as each such term is defined in the Guarantee).
- (e) Each of the valuations referred to at paragraphs (a) and (b) above shall be obtained not more than 14 days before the Utilisation Date, while each of the valuations referred to in paragraph (d) above shall be obtained not more than 30 days before the Test Date (as such term is defined in the Guarantee) of the relevant quarter.
- (f) The Facility Agent may at any time after an Event of Default has occurred and is continuing obtain valuations of any Ship and any other vessel over which additional security has been created in accordance with Clause 24.2 (*Provision of additional security; prepayment*) from Approved Valuers to enable the Facility Agent to determine the Market Value of that Ship and any other vessel and also for the purpose of testing the security cover requirement under Clause 24.1 (*Minimum required security cover*). The Facility Agent shall be entitled to determine the Market Value of any Ship at any other time.
- (g) The valuations referred to in paragraph (a) to (c) above shall be obtained at the cost and expense of the Borrowers and the Borrowers shall within three Business Days of demand by the Facility Agent pay to the Facility Agent all costs and expenses incurred by it in obtaining any such valuation. The cost of the valuations referred to in paragraph (d) for the Borrowers shall be limited to four times per annum, unless an Event of Default has occurred or the covenant contained in Clause 24.1 (*Minimum required security cover*) is not complied with, in which case the cost of all valuations shall be borne by the Borrowers.

## **25 ACCOUNTS AND APPLICATION OF EARNINGS**

### **25.1 Accounts**

No Borrower may, without the prior consent of the Facility Agent, maintain any bank account other than its Earnings Account.

## **25.2 Payment of Earnings**

Each Borrower shall ensure that 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.

## **25.3 Location of Accounts**

Each Borrower shall promptly:

- (a) comply with any requirement of the Facility Agent as to the location or relocation of its Earnings Account; and
- (b) execute any documents which the Facility Agent specifies to create or maintain in favour of the Security Agent Security over (and/or rights of set-off, consolidation or other rights in relation to) its Earnings Account.

## **25.4 Restriction on withdrawal**

During the Security Period each Borrower may withdraw any sum from its Earnings Account provided that (i) no Event of Default has occurred from such withdrawal and (ii) no notice has been given to that Borrower by the Facility Agent or the Security Agent that such withdrawal is not permitted.

## **26 EVENTS OF DEFAULT**

### **26.1 General**

Each of the events or circumstances set out in this Clause 26 (*Events of Default*) is an Event of Default except for Clause 26.20 (*Acceleration*) and Clause 26.21 (*Enforcement of security*).

### **26.2 Non-payment**

A Transaction Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and
- (b) payment is made within three Business Days of its due date.

### **26.3 Specific obligations**

A breach occurs of Clause 4.4 (*Waiver of conditions precedent*), clause 10 (*financial covenants*) of the Guarantee, Clause 20.10 (*Title*), Clause 20.11 (*Negative pledge*), Clause 20.20 (*Unlawfulness, invalidity and ranking; Security imperilled*), Clause 21.2 (*Maintenance of obligatory insurances*), Clause 21.3 (*Terms of obligatory insurances*), Clause 21.5 (*Renewal of obligatory insurances*), Clause 23.13 (*Trading in war zones*) or save to the extent such breach is a failure to pay and therefore subject to Clause 26.2 (*Non-payment*), Clause 24 (*Security Cover*).

#### **26.4 Other obligations**

- (a) A Transaction Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 26.2 (*Non-payment*) and Clause 26.3 (*Specific obligations*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 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.

#### **26.5 Misrepresentation**

Any representation or statement made or deemed to be made by a Transaction Obligor in the Finance Documents or any other document delivered by or on behalf of any Transaction Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.

#### **26.6 Cross default**

- (a) Any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Transaction Obligor (other than an Approved Manager) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any creditor of any Transaction Obligor (other than an Approved Manager) becomes entitled to declare any Financial Indebtedness of any Transaction Obligor (other than the Approved Manager) due and payable prior to its specified maturity as a result of an event of default (however described).
- (d) No Event of Default will occur under this Clause 26.6 (*Cross default*) in respect of the Guarantor if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (c) above is less than \$20,000,000 (or its equivalent in any other currency).

#### **26.7 Insolvency**

- (a) A Transaction Obligor (other than an Approved Manager):
  - (i) is unable or admits inability to pay its debts as they fall due; or
  - (ii) is deemed to, or is declared to, be unable to pay its debts under applicable law; or
  - (iii) suspends or threatens to suspend making payments on, any of its debts.
- (b) The value of the assets of either Borrower is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Transaction Obligor (other than an Approved Manager). If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

## **26.8 Insolvency proceedings**

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Transaction Obligor (other than an Approved Manager);
  - (ii) a composition, compromise, assignment or arrangement with any creditor of any Transaction Obligor (other than an Approved Manager);
  - (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Transaction Obligor (other than an Approved Manager) or any of its assets; or
  - (iv) enforcement of any Security over any assets of any Transaction Obligor (other than an Approved Manager),
- or any analogous procedure or step is taken in any jurisdiction.
- (b) Paragraph (a) above shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement.

## **26.9 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of a Transaction Obligor (other than any Approved Manager or an arrest or detention of a Ship which, in accordance with Clause 26.14 (*Arrest*), is discharged within 30 days).

## **26.10 Ownership of the Obligors**

There is in respect of any Borrower, a change in its ownership which results in the Guarantor owning directly or indirectly (but if indirectly only through companies with registered shares), less than 100 per cent. of the shares in that Borrower.

## **26.11 Unlawfulness, invalidity and ranking**

- (a) It is or becomes unlawful for a Transaction Obligor to perform any of its obligations under the Finance Documents.
- (b) Any obligation of a Transaction Obligor under the Finance Documents is not or ceases to be legal, valid, binding or enforceable.
- (c) Any Finance Document ceases to be in full force and effect or to be continuing or is or purports to be determined or any Transaction Security is alleged by a party to it (other than a Finance Party) to be ineffective.
- (d) Any Transaction Security proves to have ranked after, or loses its priority to, any other Security.

**26.12 Security imperilled**

Any Security created or intended to be created by a Finance Document is in any way imperilled or in jeopardy.

**26.13 Cessation of business**

Any Transaction Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

**26.14 Arrest**

Any arrest of a Ship or its detention in the exercise or the purported exercise of any lien or claim unless it is redelivered to the full control of the relevant Borrower within 30 days of such arrest or detention.

**26.15 Expropriation**

The authority or ability of any member of the Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets other than:

- (a) an arrest or detention of a Ship referred to in Clause 26.14 (*Arrest*); or
- (b) any Requisition.

**26.16 Repudiation and rescission of agreements**

A Transaction Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security.

**26.17 Litigation**

Any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started or threatened, or any judgment or order of a court, arbitral body or agency is made, in relation to any of the Transaction Documents or the transactions contemplated in any of the Transaction Documents or against any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect.

**26.18 Sanctions**

- (a) Any Transaction Obligor or any of their respective Subsidiaries, directors, officers, employees or agents is designated a Prohibited Person or a Ship is designated a Sanctioned Ship.
- (b) This Clause 26.18 (*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.

**26.19 Material adverse change**

Any event or circumstance occurs which has or is reasonably likely to have a Material Adverse Effect.

**26.20 Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Facility Agent may, and shall if so directed by the Majority Lenders:

- (a) by notice to the Borrowers:
  - (i) cancel the Available Commitment of each Lender, whereupon they shall immediately be cancelled;
  - (ii) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon it shall become immediately due and payable; and/or
  - (iii) declare that all or part of the Loan be payable on demand, whereupon it shall immediately become payable on demand by the Facility Agent acting on the instructions of the Majority Lenders; and/or
- (b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents, and the Facility Agent may serve notices under sub-paragraphs (i), (ii) or (iii) of paragraph (a) above simultaneously or on different dates and any Servicing Party may take any action referred to in paragraph (b) above or Clause 26.21 (*Enforcement of security*) if no such notice is served or simultaneously with or at any time after the service of any of such notice.

**26.21 Enforcement of security**

On and at any time after the occurrence of an Event of Default the Security Agent may, and shall if so directed by the Majority Lenders, take any action which, as a result of the Event of Default or any notice served under Clause 26.20 (*Acceleration*), the Security Agent is entitled to take under any Finance Document or any applicable law or regulation.

**SECTION 9**  
**CHANGES TO PARTIES**

**27 CHANGES TO THE LENDERS**

**27.1 Assignments and transfers by the Lenders**

Subject to this Clause 27 (*Changes to the Lenders*), a Lender (the “**Existing Lender**”) may:

- (a) assign any of its rights; or
  - (b) transfer by novation any of its rights and obligations,  
under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in shipping loans (the “**New Lender**”) after prior consultation with the Borrowers.
- 27.2 Conditions of assignment or transfer**
- (a) The consultation of the Borrowers is required for an assignment or transfer by an Existing Lender pursuant to Clause 27.1 (*Assignments and transfers by the Lenders*), unless the assignment or transfer is:
    - (i) to another Lender or an Affiliate of a Lender;
    - (ii) to a fund which is a Related Fund of that Lender or an Affiliate of that Lender; or
    - (iii) made at a time when an Event of Default is continuing, in which case the Existing Lender may assign any of its rights or transfer by novation any of its rights and obligations without the consultation of the Borrowers to any 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.
  - (b) An assignment will only be effective on:
    - (i) receipt by the Facility Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Facility Agent) that the New Lender will assume the same obligations to the other Secured Parties as it would have been under if it 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.
  - (c) Each Borrower on behalf of itself and each Transaction Obligor agrees that all rights and interests (present, future or contingent) which the Existing Lender has under or by virtue of the Finance Documents are assigned to the New Lender absolutely, free of any defects in the Existing Lender’s title and of any rights or equities which a Borrower or any other Transaction Obligor had against the Existing Lender.



- (d) A transfer will only be effective if the procedure set out in Clause 27.4 (*Procedure for transfer*) is complied with.
- (e) If:
- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
  - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, a Transaction Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross Up and Indemnities*) or under that clause as incorporated by reference or in full in any other Finance Document or Clause 13 (*Increased Costs*),
- then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (e) shall not apply in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility.
- (f) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Facility Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

### **27.3 Limitation of responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
- (i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;
  - (ii) the financial condition of any Transaction Obligor;
  - (iii) the performance and observance by any Transaction Obligor of its obligations under the Transaction Documents or any other documents; or
  - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,
- and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties and the Secured Parties that it:
- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Transaction Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and

- (ii) will continue to make its own independent appraisal of the creditworthiness of each Transaction Obligor and its related entities throughout the Security Period.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
  - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 27 (*Changes to the Lenders*); or
  - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Transaction Obligor of its obligations under the Transaction Documents or otherwise.

#### 27.4 Procedure for transfer

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with this Agreement and delivered in accordance with this Agreement, execute that Transfer Certificate.
- (b) The Facility Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 27.8 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security, each of the Transaction Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the “**Discharged Rights and Obligations**”);
  - (ii) each of the Transaction Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Transaction Obligor and the New Lender have assumed and/or acquired the same in place of that Transaction Obligor and the Existing Lender;
  - (iii) the Facility Agent, the Security Agent, the Mandated Lead Arranger, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Facility Agent, the Security Agent, the Mandated Lead Arranger and the Existing Lenders shall each be released from further obligations to each other under the Finance Documents; and

(iv) the New Lender shall become a Party as a “**Lender**”.

#### **27.5 Procedure for assignment**

- (a) Subject to the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Facility Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Facility Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Facility Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 27.8 (*Pro rata interest settlement*), on the Transfer Date:
- (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
  - (ii) the Existing Lender will be released from the obligations (the “**Relevant Obligations**”) expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
  - (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 27.5 (*Procedure for assignment*) to assign their rights under the Finance Documents (but not, without the consent of the relevant Transaction Obligor or unless in accordance with Clause 27.4 (*Procedure for transfer*), to obtain a release by that Transaction Obligor from the obligations owed to that Transaction Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 27.2 (*Conditions of assignment or transfer*).

#### **27.6 Copy of Transfer Certificate or Assignment Agreement to Borrowers**

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrowers a copy of that Transfer Certificate or Assignment Agreement.

#### **27.7 Security over Lenders’ rights**

In addition to the other rights provided to Lenders under this Clause 27 (*Changes to the Lenders*), each Lender may without consulting with or obtaining consent from any Transaction Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and

- (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by a Transaction Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

#### **27.8 Pro rata interest settlement**

- (a) If the Facility Agent has notified the Lenders that it is able to distribute interest payments on a “*pro rata* basis” to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 27.4 (*Procedure for transfer*) or any assignment pursuant to Clause 27.5 (*Procedure for assignment*)) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):
- (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (“**Accrued Amounts**”) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
  - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
    - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
    - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 27.8 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.
- (b) In this Clause 27.8 (*Pro rata interest settlement*) references to “Interest Period” shall be construed to include a reference to any other period for accrual of fees.
- (c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 27.8 (*Pro rata interest settlement*) but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

## **28 CHANGES TO THE TRANSACTION OBLIGORS**

### **28.1 Assignment or transfer by Transaction Obligors**

No Transaction Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

### **28.2 Release of security**

- (a) If a disposal of any asset subject to security created by a Security Document is made in the following circumstances:
- (i) the disposal is permitted by the terms of any Finance Document;
  - (ii) all the Lenders agree to the disposal;
  - (iii) the disposal is being made at the request of the Security Agent in circumstances where any security created by the Security Documents has become enforceable; or
  - (iv) the disposal is being effected by enforcement of a Security Document,

the Security Agent may release the asset(s) being disposed of from any security over those assets created by a Security Document. However, the proceeds of any disposal (or an amount corresponding to them) must be applied in accordance with the requirements of the Finance Documents (if any).

- (b) If the Security Agent is satisfied that a release is allowed under this Clause 28.2 (*Release of security*) (at the request and expense of the Borrowers) each Finance Party must enter into any document and do all such other things which are reasonably required to achieve that release. Each other Finance Party irrevocably authorises the Security Agent to enter into any such document. Any release will not affect the obligations of any other Transaction Obligor under the Finance Documents.

**SECTION 10**  
**THE FINANCE PARTIES**

**29 THE FACILITY AGENT AND THE MANDATED LEAD ARRANGER**

**29.1 Appointment of the Facility Agent**

- (a) Each of the Mandated Lead Arranger and the Lenders appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Mandated Lead Arranger and the Lenders authorises the Facility Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

**29.2 Instructions**

- (a) The Facility Agent shall:
  - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by:
    - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
    - (B) in all other cases, the Majority Lenders; and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or, if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).
- (b) The Facility Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Facility Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Facility Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
  - (i) where a contrary indication appears in a Finance Document;
  - (ii) where a Finance Document requires the Facility Agent to act in a specified manner or to take a specified action;

- (iii) in respect of any provision which protects the Facility Agent's own position in its personal capacity as opposed to its role of Facility Agent for the relevant Finance Parties.
- (e) If giving effect to instructions given by the Majority Lenders would in the Facility Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 43 (*Amendments and Waivers*), the Facility Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Facility Agent) whose consent would have been required in respect of that amendment or waiver.
- (f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where it has not received any instructions as to the exercise of that discretion the Facility Agent shall do so having regard to the interests of all the Finance Parties.
- (g) The Facility Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (h) Without prejudice to the remainder of this Clause 29.2 (*Instructions*), in the absence of instructions, the Facility Agent shall not be obliged to take any action (or refrain from taking action) even if it considers acting or not acting to be in the best interests of the Finance Parties. The Facility Agent may act (or refrain from acting) as it considers to be in the best interest of the Finance Parties.
- (i) The Facility Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

### **29.3 Duties of the Facility Agent**

- (a) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.
- (c) Without prejudice to Clause 27.6 (*Copy of Transfer Certificate or Assignment Agreement to Borrowers*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.
- (d) Except where a Finance Document specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Facility Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.

- (f) If the Facility Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Facility Agent, the Mandated Lead Arranger or the Security Agent) under this Agreement, it shall promptly notify the other Finance Parties.
- (g) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

#### **29.4 Role of the Mandated Lead Arranger**

Except as specifically provided in the Finance Documents, the Mandated Lead Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

#### **29.5 No fiduciary duties**

- (a) Nothing in any Finance Document constitutes the Facility Agent or the Mandated Lead Arranger as a trustee or fiduciary of any other person.
- (b) Neither the Facility Agent nor the Mandated Lead Arranger shall be bound to account to other Finance Party for any sum or the profit element of any sum received by it for its own account.

#### **29.6 Application of receipts**

Except as expressly stated to the contrary in any Finance Document, any moneys which the Facility Agent receives or recovers in its capacity as Facility Agent shall be applied by the Facility Agent in accordance with Clause 33.5 (*Application of receipts; partial payments*).

#### **29.7 Business with the Group**

The Facility Agent and the Mandated Lead Arranger may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

#### **29.8 Rights and discretions**

- (a) The Facility Agent may:
  - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
  - (ii) assume that:
    - (A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents; and
    - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
  - (iii) rely on a certificate from any person:
    - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or



- (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,  
as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Finance Parties) that:
- (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 26.2 (*Non-payment*));
  - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
  - (iii) any notice or request made by any Borrower (other than 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 Mandated Lead Arranger is obliged to do or omit to do anything if it would or might, in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

- (i) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

#### **29.9 Responsibility for documentation**

Neither the Facility Agent nor the Mandated Lead Arranger is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Mandated Lead Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party or Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

#### **29.10 No duty to monitor**

The Facility Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or
- (c) whether any other event specified in any Transaction Document has occurred.

#### **29.11 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to paragraph (e) of Clause 33.11 (*Disruption to Payment Systems etc.*) or any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent will not be liable (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 Mandated Lead Arranger carry out:
  - (i) any “know your customer” or other checks in relation to any person; or
  - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party, on behalf of any Finance Party and each Finance Party confirms to the Facility Agent and the Mandated Lead Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent or the Mandated Lead Arranger.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent’s liability, any liability (including, without limitation, for negligence or any other category of liability whatsoever) of the Facility Agent arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility

Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

#### **29.12 Lenders' indemnity to the Facility Agent**

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 33.11 (*Disruption to Payment Systems etc.*) notwithstanding the Facility Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) in acting as Facility Agent under the Finance Documents (unless the Facility Agent has been reimbursed by a Transaction Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Borrowers shall immediately on demand reimburse any Lender for any payment that Lender makes to the Facility Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Facility Agent to an Obligor.

#### **29.13 Resignation of the Facility Agent**

- (a) The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.
- (b) Alternatively, the Facility Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Facility Agent.
- (c) If the Majority Lenders have not appointed a successor Facility Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Facility Agent may appoint a successor Facility Agent.
- (d) If the Facility Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Facility Agent is entitled to appoint a successor Facility Agent under paragraph (c) above, the Facility Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Facility Agent to become a party to this Agreement as Facility Agent) agree with the proposed successor Facility Agent amendments to this Clause 29 (*The Facility Agent and the Mandated Lead Arranger*) and any other term of this Agreement dealing with the rights or obligations of the Facility Agent consistent with then current market practice for the appointment and protection of corporate trustees.
- (e) The retiring Facility Agent shall make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Facility Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

- (f) The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 14.4 (*Indemnity to the Facility Agent*) and this Clause 29 (*The Facility Agent and the Mandated Lead Arranger*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Facility Agent. Any fees for the account of the retiring Facility Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) The Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with paragraph (b) above. In this event, the Facility Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (e) above shall be for the account of the Borrowers.
- (i) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Facility Agent.
- (j) The Facility Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Facility Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Facility Agent under the Finance Documents, either:
  - (i) the Facility Agent fails to respond to a request under Clause 12.7 (*FATCA Information*) and a Lender reasonably believes that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
  - (ii) the information supplied by the Facility Agent pursuant to Clause 12.7 (*FATCA Information*) indicates that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
  - (iii) the Facility Agent notifies the Borrowers and the Lenders that the Facility Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Facility Agent were a FATCA Exempt Party, and that Lender, by notice to the Facility Agent, requires it to resign.

#### **29.14 Confidentiality**

- (a) In acting as Facility Agent for the Finance Parties, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

- (b) If information is received by a division or department of the Facility Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Facility Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, neither the Facility Agent nor the Mandated Lead Arranger is obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

#### **29.15 Relationship with the other Finance Parties**

- (a) Subject to Clause 27.8 (*Pro rata interest settlement*), the Facility Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Facility Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
  - (i) entitled to or liable for any payment due under any Finance Document on that day; and
  - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Each Finance Party shall supply the Facility Agent with any information that the Security Agent may reasonably specify (through the Facility Agent) as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent. Each Finance Party shall deal with the Security Agent exclusively through the Facility Agent and shall not deal directly with the Security Agent and any reference to any instructions being given by or sought from any Finance Party or group of Finance Parties by or to the Security Agent in this Agreement must be given or sought through the Facility Agent.
- (c) Any Lender may by notice to the Facility Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 36.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 36.2 (*Addresses*) and sub-paragraph (ii) of paragraph (a) of Clause 36.5 (*Electronic communication*) and the Facility Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

#### **29.16 Credit appraisal by the Finance Parties**

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Facility Agent and the Mandated Lead Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Facility Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and
- (e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

#### **29.17 Facility Agent's management time**

Any amount payable to the Facility Agent under Clause 14.4 (*Indemnity to the Facility Agent*), Clause 16 (*Costs and Expenses*) and Clause 29.12 (*Lenders' indemnity to the Facility Agent*) shall include the cost of utilising the Facility Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Facility Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any fee paid or payable to the Facility Agent under Clause 11 (*Fees*).

#### **29.18 Deduction from amounts payable by the Facility Agent**

If any Party owes an amount to the Facility Agent under the Finance Documents, the Facility Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Facility Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

### **29.19 Reliance and engagement letters**

Each Secured Party confirms that each of the Mandated Lead Arranger and the Facility Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Mandated Lead Arranger or the Facility Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

### **29.20 Full freedom to enter into transactions**

Without prejudice to Clause 29.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Facility Agent shall be absolutely entitled:

- (a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);
- (b) to deal in and enter into and arrange transactions relating to:
  - (i) any securities issued or to be issued by any Transaction Obligor or any other person; or
  - (ii) any options or other derivatives in connection with such securities; and
- (c) to provide advice or other services to any Borrower or any person who is a party to, or referred to in, a Finance Document, and, in particular, the Facility Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

### **29.21 Amounts paid in error**

- (a) If the Facility Agent pays an amount to another Party and the Facility Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.
- (b) Neither:
  - (i) the obligations of any Party to the Facility Agent; nor



- (ii) the remedies of the Facility Agent,  
(whether arising under this Clause 29.21 (*Amounts paid in error*) or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Facility Agent or any other Party).
- (c) All payments to be made by a Party to the Facility Agent (whether made pursuant to this Clause 29.21 (*Amounts paid in error*) or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, “**Erroneous Payment**” means a payment of an amount by the Facility Agent to another Party which the Facility Agent determines (in its sole discretion) was made in error.

## **30 THE SECURITY AGENT**

### **30.1 Trust**

- (a) The Security Agent declares that it holds the Security Property on trust for the Secured Parties on the terms contained in this Agreement and shall deal with the Security Property in accordance with this Clause 30 (*The Security Agent*) and the other provisions of the Finance Documents.
- (b) Each other Finance Party authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under, or in connection with, the Finance Documents together with any other incidental rights, powers, authorities and discretions.

### **30.2 Parallel Debt (Covenant to pay the Security Agent)**

- (a) Each Borrower irrevocably and unconditionally undertakes to pay to the Security Agent its Parallel Debt which shall be amounts equal to, and in the currency or currencies of, its Corresponding Debt.
- (b) The Parallel Debt of a Borrower:
  - (i) shall become due and payable at the same time as its Corresponding Debt;
  - (ii) is independent and separate from, and without prejudice to, its Corresponding Debt.
- (c) For the purposes of this Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent:
  - (i) is the independent and separate creditor of each Parallel Debt;
  - (ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Parallel Debt shall not be held on trust; and
  - (iii) shall have the independent and separate right to demand payment of each Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

- (d) The Parallel Debt of a Borrower shall be:
- (i) decreased to the extent that its Corresponding Debt has been irrevocably and unconditionally paid or discharged; and
  - (ii) increased to the extent that its Corresponding Debt has increased,
- and the Corresponding Debt of a Borrower shall be decreased to the extent that its Parallel Debt has been irrevocably and unconditionally paid or discharged,
- in each case provided that the Parallel Debt of a Borrower shall never exceed its Corresponding Debt.
- (e) All amounts received or recovered by the Security Agent in connection with this Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) to the extent permitted by applicable law, shall be applied in accordance with Clause 33.5 (*Application of receipts; partial payments*).
- (f) This Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) shall apply, with any necessary modifications, to each Finance Document.

### **30.3 Enforcement through Security Agent only**

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Security Documents except through the Security Agent.

### **30.4 Instructions**

- (a) The Security Agent shall:
- (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by:
    - (A) all Lenders (or the Facility Agent on their behalf) if the relevant Finance Document stipulates the matter is an all Lender decision; and
    - (B) in all other cases, the Majority Lenders (or the Facility Agent on their behalf); and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or if this Agreement stipulates the matter is a decision for any other Finance Party or group of Finance Parties, in accordance with instructions given to it by that Finance Party or group of Finance Parties).
- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or the Facility Agent on their behalf) (or, if the relevant Finance Document stipulates the matter is a decision for any other Finance Party or group of Finance Parties, from that Finance Party or group of Finance Parties) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.

- (c) Save in the case of decisions stipulated to be a matter for any other Finance Party or group of Finance Parties under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Security Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) Paragraph (a) above shall not apply:
- (i) where a contrary indication appears in a Finance Document;
  - (ii) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;
  - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the relevant Secured Parties.
  - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
    - (A) Clause 30.28 (*Application of receipts*);
    - (B) Clause 30.29 (*Permitted Deductions*); and
    - (C) Clause 30.30 (*Prospective liabilities*).
- (e) If giving effect to instructions given by the Majority Lenders would in the Security Agent's opinion have an effect equivalent to an amendment or waiver referred to in Clause 43 (*Amendments and Waivers*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.
- (f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:
- (i) it has not received any instructions as to the exercise of that discretion; or
  - (ii) the exercise of that discretion is subject to sub-paragraph (iv) of paragraph (d) above,
- the Security Agent shall do so having regard to the interests of all the Secured Parties.
- (g) The Security Agent may refrain from acting in accordance with any instructions of any Finance Party or group of Finance Parties until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (h) Without prejudice to the remainder of this Clause 30.4 (*Instructions*), in the absence of instructions, the Security Agent may (but shall not be obliged to) take such action in the exercise of its powers and duties under the Finance Documents as it considers in its discretion to be appropriate.

- (i) The Security Agent is not authorised to act on behalf of a Finance Party (without first obtaining that Finance Party's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (i) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Security Documents or enforcement of the Transaction Security or Security Documents.

### **30.5 Duties of the Security Agent**

- (a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) The Security Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.
- (c) Except where a Finance Document specifically provides otherwise, the Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Security Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (e) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

### **30.6 No fiduciary duties**

- (a) Nothing in any Finance Document constitutes the Security Agent as an agent, trustee or fiduciary of any Transaction Obligor.
- (b) The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

### **30.7 Business with the Group**

The Security Agent may accept deposits from, lend money to, and generally engage in any kind of banking or other business with, any member of the Group.

### **30.8 Rights and discretions**

- (a) The Security Agent may:
  - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
  - (ii) assume that:
    - (A) any instructions received by it from the Majority Lenders, any Finance Parties or any group of Finance Parties are duly given in accordance with the terms of the Finance Documents;

- (B) unless it has received notice of revocation, that those instructions have not been revoked;
  - (C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and
- (iii) rely on a certificate from any person:
  - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
  - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,  
as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Security Agent shall be entitled to carry out all dealings with the other Finance Parties through the Facility Agent and may give to the Facility Agent any notice or other communication required to be given by the Security Agent to any Finance Party.
- (c) The Security Agent may assume (unless it has received notice to the contrary in its capacity as security agent for the Secured Parties) that:
  - (i) no Default has occurred;
  - (ii) any right, power, authority or discretion vested in any Party or any group of Finance Parties has not been exercised; and
  - (iii) any notice or request made by any Borrower (other than 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.

**30.9 Responsibility for documentation**

None of the Security Agent, any Receiver or Delegate is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Facility Agent, the Security Agent, the Mandated Lead Arranger, a Transaction Obligor or any other person in, or in connection with, any Transaction Document or the transactions contemplated in the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document or the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
- (c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

**30.10 No duty to monitor**

The Security Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Transaction Obligor of its obligations under any Transaction Document; or
- (c) whether any other event specified in any Transaction Document has occurred.

### 30.11 Exclusion of liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate), none of the Security Agent nor any Receiver or Delegate will be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
- (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Transaction Document or the Security Property, unless directly caused by its gross negligence or wilful misconduct;
  - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Transaction Document, the Security Property or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Transaction Document or the Security Property; or
  - (iii) any shortfall which arises on the enforcement or realisation of the Security Property; or
  - (iv) without prejudice to the generality of sub-paragraphs (i) to (iii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
    - (A) any act, event or circumstance not reasonably within its control; or
    - (B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party other than the Security Agent, that Receiver or that Delegate (as applicable) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Transaction Document or any Security Property and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this Clause subject to Clause 1.5 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Security Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Security Agent if the Security Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Security Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Security Agent to carry out:
- (i) any “know your customer” or other checks in relation to any person; or

- (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Finance Party, on behalf of any Finance Party and each Finance Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.
- (e) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent or any Receiver or Delegate, any liability (including, without limitation, for negligence or any other category of liability whatsoever) of the Security Agent or any Receiver or Delegate arising under or in connection with any Transaction Document or the Security Property shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent. Receiver or Delegate or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, any Receiver or Delegate at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, the Receiver or Delegate has been advised of the possibility of such loss or damages.

### **30.12 Lenders' indemnity to the Security Agent**

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Security Agent and every Receiver, 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 a Borrower.

### **30.13 Resignation of the Security Agent**

- (a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrowers.
- (b) Alternatively, the Security Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrowers, in which case the Majority Lenders may appoint a successor Security Agent.
- (c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent may appoint a successor Security Agent.



- (d) The retiring Security Agent shall make available to the successor Security Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents. The Borrowers shall, within three Business Days of demand, reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (e) The Security Agent's resignation notice shall only take effect upon:
  - (i) the appointment of a successor; and
  - (ii) the transfer, by way of a document expressed as a deed, of all the Security Property to that successor.
- (f) Upon the appointment of a successor, the retiring Security Agent shall be discharged, by way of a document executed as a deed, from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of Clause 30.25 (*Winding up of trust*) and paragraph (d) above) but shall remain entitled to the benefit of Clause 14.5 (*Indemnity to the Security Agent*) and this Clause 30 (*The Security Agent*) and any other provisions of a Finance Document which are expressed to limit or exclude its liability (or to indemnify it) in acting as Security Agent. Any fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date. Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (g) The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (d) above shall be for the account of the Borrowers.
- (h) The consent of any Borrower (or any other Transaction Obligor) is not required for an assignment or transfer of rights and/or obligations by the Security Agent.

#### **30.14 Confidentiality**

- (a) In acting as Security Agent for the Finance Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by a division or department of the Security Agent other than the division or department responsible for complying with the obligations assumed by it under the Finance Documents, that information may be treated as confidential to that division or department, and the Security Agent shall not be deemed to have notice of it nor shall it be obliged to disclose such information to any Party.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

### 30.15 Credit appraisal by the Finance Parties

Without affecting the responsibility of any Transaction Obligor for information supplied by it or on its behalf in connection with any Transaction Document, each Finance Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under, or in connection with, any Transaction Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Transaction Document, the Security Property and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (c) whether that Finance Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under, or in connection with, any Transaction Document, the Security Property, the transactions contemplated by the Transaction Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document or the Security Property;
- (d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under, or in connection with, any Transaction Document, the transactions contemplated by any Transaction Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Transaction Document; and
- (e) the right or title of any person in or to or the value or sufficiency of any part of the Security Assets, the priority of any of the Transaction Security or the existence of any Security affecting the Security Assets.

### 30.16 Security Agent's management time

- (a) Any amount payable to the Security Agent under Clause 14.5 (*Indemnity to the Security Agent*), Clause 16 (*Costs and Expenses*) and Clause 30.12 (*Lenders' indemnity to the Security Agent*) shall include the cost of utilising the Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Borrowers and the other Finance Parties, and is in addition to any fee paid or payable to the Security Agent under Clause 11 (*Fees*).
- (b) Without prejudice to paragraph (a) above, in the event of:
  - (i) a Default;
  - (ii) the Security Agent being requested by a Transaction Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrowers agree to be of an exceptional nature or outside the scope of the normal duties of the Security Agent under the Finance Documents; or
  - (iii) the Security Agent and the Borrowers agreeing that it is otherwise appropriate in the circumstances,

the Borrowers shall pay to the Security Agent any additional remuneration (together with any applicable VAT) that may be agreed between them or determined pursuant to paragraph (c) below.

- (c) If the Security Agent and the Borrowers fail to agree upon the nature of the duties, or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrowers or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrowers) and the determination of any investment bank shall be final and binding upon the Parties.

### **30.17 Reliance and engagement letters**

Each Secured Party confirms that the Security Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Security Agent) the terms of any reliance letter or engagement letters or any reports or letters provided by accountants, auditors or providers of due diligence reports in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

### **30.18 No responsibility to perfect Transaction Security**

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Transaction Obligor to any of the Security Assets;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;
- (d) take, or to require any Transaction Obligor to take, any step to perfect its title to any of the Security Assets or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or
- (e) require any further assurance in relation to any Finance Document.

### **30.19 Insurance by Security Agent**

- (a) The Security Agent shall not be obliged:
  - (i) to insure any of the Security Assets;
  - (ii) to require any other person to maintain any insurance; or

- (iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document, and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Majority Lenders request it to do so in writing and the Security Agent fails to do so within 14 days after receipt of that request.

### **30.20 Custodians and nominees**

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

### **30.21 Delegation by the Security Agent**

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of any such delegate or sub delegate.

### **30.22 Additional Security Agents**

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:
  - (i) if it considers that appointment to be in the interests of the Secured Parties; or
  - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or
  - (iii) for obtaining or enforcing any judgment in any jurisdiction,and the Security Agent shall give prior notice to the Borrowers and the Finance Parties of that appointment.

- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

### **30.23 Acceptance of title**

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Transaction Obligor may have to any of the Security Assets and shall not be liable for or bound to require any Transaction Obligor to remedy any defect in its right or title.

### **30.24 Releases**

Upon a disposal of any of the Security Assets pursuant to the enforcement of the Transaction Security by a Receiver, a Delegate or the Security Agent, the Security Agent is irrevocably authorised (at the cost of the Borrowers and without any consent, sanction, authority or further confirmation from any other Secured Party) to release, without recourse or warranty, that property from the Transaction Security and to execute any release of the Transaction Security or other claim over that asset and to issue any certificates of non-crystallisation of floating charges that may be required or desirable.

### **30.25 Winding up of trust**

If the Security Agent, with the approval of the Facility Agent determines that:

- (a) all of the Secured Liabilities and all other obligations secured by the Security Documents have been fully and finally discharged; and
  - (b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Transaction Obligor pursuant to the Finance Documents,
- then
- (i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Security Documents; and
  - (ii) any Security Agent which has resigned pursuant to Clause 30.13 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Security Document.

### **30.26 Powers supplemental to Trustee Acts**

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

### 30.27 Disapplication of Trustee Acts

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement and the other Finance Documents. Where there are any inconsistencies between (i) the Trustee Acts 1925 and 2000 and (ii) the provisions of this Agreement and any other Finance Document, the provisions of this Agreement and any other Finance Document shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement and any other Finance Document shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

### 30.28 Application of receipts

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Document, under Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or in connection with the realisation or enforcement of all or any part of the Security Property (for the purposes of this Clause 30 (*The Security Agent*), the “**Recoveries**”) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the remaining provisions of this Clause 30 (*The Security Agent*)), in the following order of priority:

- (a) in discharging any sums owing to the Security Agent (in its capacity as such) other than pursuant to Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*) or any Receiver or Delegate;
- (b) in payment or distribution to the Facility Agent, on its behalf and on behalf of the other Secured Parties, for application towards the discharge of all sums due and payable by any Transaction Obligor under any of the Finance Documents in accordance with Clause 33.5 (*Application of receipts; partial payments*);
- (c) if none of the Transaction Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Transaction Obligor; and
- (d) the balance, if any, in payment or distribution to the relevant Transaction Obligor.

### 30.29 Permitted Deductions

The Security Agent may, in its discretion:

- (a) set aside by way of reserve amounts required to meet, and to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Agreement; and
- (b) pay all Taxes which may be assessed against it in respect of any of the Security Property, or as a consequence of performing its duties, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

### **30.30 Prospective liabilities**

Following enforcement of any of the Transaction Security, the Security Agent may, in its discretion, or at the request of the Facility Agent, hold any Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) for later payment to the Facility Agent for application in accordance with Clause 30.28 (*Application of receipts*) in respect of:

- (a) any sum to the Security Agent, any Receiver or any Delegate; and
- (b) any part of the Secured Liabilities,

that the Security Agent or, in the case of paragraph (b) only, the Facility Agent, reasonably considers, in each case, might become due or owing at any time in the future.

### **30.31 Investment of proceeds**

Prior to the payment of the proceeds of the Recoveries to the Facility Agent for application in accordance with Clause 30.28 (*Application of receipts*) the Security Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Security Agent with such financial institution (including itself) and for so long as the Security Agent shall think fit (the interest being credited to the relevant account) pending the payment from time to time of those moneys in the Security Agent's discretion in accordance with the provisions of Clause 30.28 (*Application of receipts*).

### **30.32 Currency conversion**

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at a market rate of exchange.
- (b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

### **30.33 Good discharge**

- (a) Any payment to be made in respect of the Secured Liabilities by the Security Agent may be made to the Facility Agent on behalf of the Secured Parties and any payment made in that way shall be a good discharge, to the extent of that payment, by the Security Agent.
- (b) The Security Agent is under no obligation to make the payments to the Facility Agent under paragraph (a) above in the same currency as that in which the obligations and liabilities owing to the relevant Finance Party are denominated.

### **30.34 Amounts received by Obligors**

If any of the Obligors receives or recovers any amount which, under the terms of any of the Finance Documents, should have been paid to the Security Agent, the Borrowers will ensure that such amount received or recovered is held on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement.

### **30.35 Application and consideration**

In consideration for the covenants given to the Security Agent by each Borrower in relation to Clause 30.2 (*Parallel Debt (Covenant to pay the Security Agent)*), the Security Agent agrees with each Borrower to apply all moneys from time to time paid by such Borrower to the Security Agent in accordance with the foregoing provisions of this Clause 30 (*The Security Agent*).

### **30.36 Full freedom to enter into transactions**

Without prejudice to Clause 30.7 (*Business with the Group*) or any other provision of a Finance Document and notwithstanding any rule of law or equity to the contrary, the Security Agent shall be absolutely entitled:

- (a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Transaction Obligor or any person who is party to, or referred to in, a Finance Document (including, but not limited to, any interest or currency swap or other transaction, whether related to this Agreement or not, and acting as syndicate agent and/or security agent for, and/or participating in, other facilities to such Transaction Obligor or any person who is party to, or referred to in, a Finance Document);
- (b) to deal in and enter into and arrange transactions relating to:
  - (i) any securities issued or to be issued by any Transaction Obligor or any other person; or
  - (ii) any options or other derivatives in connection with such securities; and
- (c) to provide advice or other services to the Borrowers or any person who is a party to, or referred to in, a Finance Document, and, in particular, the Security Agent shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a), (b) and (c) above, to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

## **31 CONDUCT OF BUSINESS BY THE FINANCE PARTIES**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.



## 32 SHARING AMONG THE FINANCE PARTIES

### 32.1 Payments to Finance Parties

If a Finance Party (a “**Recovering Finance Party**”) receives or recovers any amount from a Transaction Obligor other than in accordance with Clause 33 (*Payment Mechanics*) (a “**Recovered Amount**”) and applies that amount to a payment due to it under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Facility Agent;
- (b) the Facility Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Facility Agent and distributed in accordance with Clause 33 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Facility Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Facility Agent, pay to the Facility Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Facility Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 33.5 (*Application of receipts; partial payments*).

### 32.2 Redistribution of payments

The Facility Agent shall treat the Sharing Payment as if it had been paid by the relevant Transaction Obligor and distribute it among the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 33.5 (*Application of receipts; partial payments*) towards the obligations of that Transaction Obligor to the Sharing Finance Parties.

### 32.3 Recovering Finance Party’s rights

On a distribution by the Facility Agent under Clause 32.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from a Transaction Obligor, as between the relevant Transaction Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Transaction Obligor.

### 32.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Facility Agent, pay to the Facility Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and

- (b) as between the relevant Transaction Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Transaction Obligor.

### **32.5 Exceptions**

- (a) This Clause 32 (*Sharing among the Finance Parties*) shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Transaction Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
  - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
  - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

**SECTION 11**  
**ADMINISTRATION**

**33 PAYMENT MECHANICS**

**33.1 Payments to the Facility Agent**

- (a) On each date on which a Transaction Obligor or a Lender is required to make a payment under a Finance Document, that Transaction Obligor or Lender shall make an amount equal to such payment available to the Facility Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Facility Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or Frankfurt, as specified by the Facility Agent) and with such bank as the Facility Agent, in each case, specifies.

**33.2 Distributions by the Facility Agent**

Each payment received by the Facility Agent under the Finance Documents for another Party shall, subject to Clause 33.3 (*Distributions to a Transaction Obligor*) and Clause 33.4 (*Clawback and pre-funding*) be made available by the Facility Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Facility Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or Frankfurt), 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.

**33.3 Distributions to a Transaction Obligor**

The Facility Agent may (with the consent of the Transaction Obligor or in accordance with Clause 34 (*Set-Off*)) apply any amount received by it for that Transaction Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Transaction Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

**33.4 Clawback and pre-funding**

- (a) Where a sum is to be paid to the Facility Agent under the Finance Documents for another Party, the Facility Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Facility Agent pays an amount to another Party and it proves to be the case that the Facility Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Facility Agent shall on demand refund the same to the Facility Agent together with interest on that amount from the date of payment to the date of receipt by the Facility Agent, calculated by the Facility Agent to reflect its cost of funds.

- (c) If the Facility Agent is willing to make available amounts for the account of the Borrowers before receiving funds from the Lenders then if and to the extent that the Facility Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrowers:
  - (i) the Borrowers shall on demand refund it to the Facility Agent; and
  - (ii) the Lender by whom those funds should have been made available or, if the Lender fails to do so, the Borrowers, shall on demand pay to the Facility Agent the amount (as certified by the Facility Agent) which will indemnify the Facility Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

### **33.5 Application of receipts; partial payments**

- (a) If the Facility Agent receives a payment that is insufficient to discharge all the amounts then due and payable by a Transaction Obligor under the Finance Documents, the Facility Agent shall apply that payment towards the obligations of that Transaction Obligor under the Finance Documents in the following order:
  - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of, and any other amounts owing to, the Facility Agent, the Security Agent, any Receiver or any Delegate under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest and fees due but unpaid to the Lenders under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid to the Lenders under this Agreement; and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Facility Agent shall, if so directed by the Majority Lenders, vary, or instruct the Security Agent to vary (as applicable) the order set out in sub-paragraphs (ii) to (iv) of paragraph (a) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by a Transaction Obligor.

### **33.6 No set-off by Transaction Obligors**

All payments to be made by a Transaction Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

### **33.7 Business Days**

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

- (b) During any extension of the due date for payment of any principal or an Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

**33.8 Currency of account**

- (a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from a Transaction Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

**33.9 Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Facility Agent (after consultation with the Borrowers); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Facility Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Facility Agent (acting reasonably and after consultation with the Borrowers) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

**33.10 Currency Conversion**

- (a) For the purpose of, or pending any payment to be made by any Servicing Party under any Finance Document, such Servicing Party may convert any moneys received or recovered by it from one currency to another, at a market rate of exchange.
- (b) The obligations of any Transaction Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

**33.11 Disruption to Payment Systems etc.**

If either the Facility Agent determines (in its discretion) that a Disruption Event has occurred or the Facility Agent is notified by a Borrower that a Disruption Event has occurred:

- (a) the Facility Agent may, and shall if requested to do so by a Borrower, consult with the Borrowers with a view to agreeing with the Borrowers such changes to the operation or administration of the Facility as the Facility Agent may deem necessary in the circumstances;

- (b) the Facility Agent shall not be obliged to consult with the Borrowers in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Facility Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Facility Agent and the Borrowers shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties and any Transaction Obligors as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 43 (*Amendments and Waivers*);
- (e) the Facility Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Facility Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 33.11 (*Disruption to Payment Systems etc.*); and
- (f) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

#### **34 SET-OFF**

A Finance Party may set off any matured obligation due from a Transaction Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Transaction Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

#### **35 BAIL-IN**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to a Finance Document, each Party acknowledges and accepts that any liability of any party to a Finance Document under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
  - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

## **36 NOTICES**

### **36.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

### **36.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents are:

- (a) in the case of the Borrowers, that specified in Schedule 1 (*The Parties*);
- (b) in the case of each Lender or the other Borrower, that specified in Schedule 1 (*The Parties*) or, if it becomes a Party after the date of this Agreement, that notified in writing to the Facility Agent on or before the date on which it becomes a Party;
- (c) in the case of the Facility Agent, that specified in Part C of Schedule 1 (*The Parties*);
- (d) in the case of the Security Agent, that specified in Part C of Schedule 1 (*The Parties*); and
- (e) in the case of the Mandated Lead Arranger, that specified in Part D of Schedule 1 (*The Parties*),  
or any substitute address, fax number or department or officer as the Party may notify to the Facility Agent (or the Facility Agent may notify to the other Parties, if a change is made by the Facility Agent) by not less than five Business Days' notice.

### **36.3 Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
  - (i) if by way of fax, when received in legible form; or
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,  
and, if a particular department or officer is specified as part of its address details provided under Clause 36.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to a Servicing Party will be effective only when actually received by that Servicing Party and then only if it is expressly marked for the attention of the department or officer of that Servicing Party specified in Schedule 1 (*The Parties*) (or any substitute department or officer as that Servicing Party shall specify for this purpose).

- (c) All notices from or to a Transaction Obligor shall be sent through the Facility Agent unless otherwise specified in any Finance Document.
- (d) Any communication or document made or delivered to the Borrowers in accordance with this Clause will be deemed to have been made or delivered to each of the Transaction Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

**36.4 Notification of address and fax number**

Promptly upon receipt of notification of an address and fax number or change of address or fax number pursuant to Clause 36.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

**36.5 Electronic communication**

- (a) Any communication to be made or document to be delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between a Borrower and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Facility Agent or the Security Agent only if it is addressed in such a manner as the Facility Agent or the Security Agent shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 36.5 (*Electronic communication*).

**36.6 English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.



- (b) All other documents provided under or in connection with any Finance Document must be:
- (i) in English; or
  - (ii) if not in English, and if so required by the Facility Agent, accompanied by a certified English translation prepared by a translator approved by the Facility Agent and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## **37 CALCULATIONS AND CERTIFICATES**

### **37.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

### **37.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### **37.3 Day count convention and interest calculation**

- (a) Any interest, commission or fee accruing under a Finance Document will accrue from day to day and the amount of any such interest, commission or fee is calculated:
- (i) on the basis of the actual number of days elapsed and a year of 360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice); and
  - (ii) subject to paragraph (b) below, without rounding.
- (b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by an Obligor under a Finance Document shall be rounded to 2 decimal places.

## **38 PARTIAL INVALIDITY**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **39 REMEDIES AND WAIVERS**

- (a) No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of a Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.
- (b) No variation or amendment of a Finance Document shall be valid unless in writing and signed by or on behalf of all the relevant Finance Parties in accordance with the provisions of Clause 43 (*Amendments and Waivers*).

#### **40 ENTIRE AGREEMENT**

- (a) This Agreement, in conjunction with the other Finance Documents, constitutes the entire agreement between the Parties and supersedes all previous agreements, understandings and arrangements between them, whether in writing or oral, in respect of its subject matter.
- (b) Each Borrower acknowledges that it has not entered into this Agreement or any other Finance Document in reliance on, and shall have no remedies in respect of, any representation or warranty that is not expressly set out in this Agreement or in any other Finance Document.

#### **41 SETTLEMENT OR DISCHARGE CONDITIONAL**

Any settlement or discharge under any Finance Document between any Finance Party and any Transaction Obligor shall be conditional upon no security or payment to any Finance Party by any Transaction Obligor or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

#### **42 IRREVOCABLE PAYMENT**

If the Facility Agent considers that an amount paid or discharged by, or on behalf of, a Transaction Obligor or by any other person in purported payment or discharge of an obligation of that Transaction Obligor to a Secured Party under the Finance Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Transaction Obligor or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Finance Documents.

#### **43 AMENDMENTS AND WAIVERS**

##### **43.1 Required consents**

- (a) Subject to Clause 43.2 (*All Lender matters*) and Clause 43.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and, in the case of an amendment, the Borrowers and any such amendment or waiver will be binding on all Parties.
- (b) The Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 43 (*Amendments and Waivers*).
- (c) Without prejudice to the generality of Clause 29.8 (*Rights and discretions*), the Facility Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.
- (d) Paragraph (c) of Clause 27.8 (*Pro rata interest settlement*) shall apply to this Clause 43 (*Amendments and Waivers*).

#### 43.2 All Lender matters

- (a) Subject to Clause 43.4 (*Changes to reference rates*), an amendment of or waiver or consent in relation to any term of any Finance Document that has the effect of changing or which relates to:
- (b) the definition of “Majority Lenders” in Clause 1.1 (*Definitions*);
- (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 28 (*Changes to the Transaction Obligors*);
- (h) any provision which expressly requires the consent of all the Lenders;
- (i) this Clause 43 (*Amendments and Waivers*);
- (j) any change to the preamble (*Background*), Clause 2 (*The Facility*), Clause 3 (*Purpose*), Clause 5 (*Utilisation*), Clause 6.3 (*Effect of cancellation and prepayment on scheduled repayments*), Clause 7.5 (*Mandatory prepayment on sale, seizure or Total Loss*), Clause 8 (*Interest*), Clause 23.10 (*Compliance with laws etc.*), Clause 23.12 (*Sanctions and Ship trading*), Clause 25 (*Accounts and Application of Earnings*), Clause 27 (*Changes to the Lenders*), Clause 32 (*Sharing among the Finance Parties*), Clause 47 (*Governing Law*) or Clause 48 (*Enforcement*);
- (k) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:
  - (i) the joint and several liability of the Borrowers under Clause 17 (*Joint and Several Liability of the Borrowers*);
  - (ii) the Security Assets; or
  - (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed,(except in the case of sub-paragraphs (ii) and (iii) 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 guarantee and indemnity granted under clause 2.1 (*guarantee and indemnity*) of the Guarantee, the joint and several liability of the Borrowers under Clause 17 (*Joint and Several Liability of the Borrowers*) or of any Transaction Security unless permitted under this Agreement or any other Finance Document or relating to a sale or disposal of an asset which is the subject of the Transaction Security where such sale or disposal is expressly permitted under this Agreement or any other Finance Document, shall not be made, or given, without the prior consent of all the Lenders.

### 43.3 Other exceptions

- (a) An amendment or waiver which relates to the rights or obligations of a Servicing Party or the Mandated Lead Arranger (each in their capacity as such) may not be effected without the consent of that Servicing Party or the Mandated Lead Arranger, as the case may be.
- (b) The Borrowers and the Facility Agent, the Mandated Lead Arranger or the Security Agent, as applicable, may amend or waive a term of a Fee Letter to which they are party.

### 43.4 Changes to reference rates

- (a) Subject to Clause 43.3 (*Other exceptions*), if an RFR Replacement Event has occurred any amendment or waiver which relates to:
  - (i) providing for the use of a Replacement Reference Rate in place of the RFR; and
  - (ii)
    - (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
    - (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
    - (C) implementing market conventions applicable to that Replacement Reference Rate;
    - (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
    - (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.
- (b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on the Loan or any part of the Loan under this Agreement to any recommendation of a Relevant Nominating Body which:
  - (i) relates to the use of the RFR on a compounded basis in the international or any relevant domestic syndicated loan markets; and
  - (ii) is issued on or after the date of this Agreement,

may be made with the consent of the Facility Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

- (c) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) or (b) above within 5 Business Days (or such longer time period in relation to any request which the Borrowers and the Facility Agent may agree) of that request being made:
- (i) its Commitment or its participation in the Loan (as the case may be) shall not be included for the purpose of calculating the Total Commitments or the amount of the Loan (as applicable) when ascertaining whether any relevant percentage of Total Commitments or the aggregate of participations in the Loan (as applicable) has been obtained to approve that request; and
  - (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.
- (d) In this Clause 43.4 (*Changes to reference rates*):

“**RFR Replacement Event**” means:

- (a) the methodology, formula or other means of determining the RFR has, in the opinion of the Majority Lenders, and the Borrower materially changed;
- (b)
  - (i)
    - (A) the administrator of the RFR or its supervisor publicly announces that such administrator is insolvent; or
    - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the RFR is insolvent,

**providedthat**, in each case, at that time, there is no successor administrator to continue to provide the RFR;
  - (ii) the administrator of the RFR publicly announces that it has ceased or will cease, to provide the RFR permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the RFR;
  - (iii) the supervisor of the administrator of the RFR publicly announces that the RFR has been or will be permanently or indefinitely discontinued; or
  - (iv) the administrator of the RFR or its supervisor announces that the RFR may no longer be used; or

- (c) the administrator of the RFR determines that the RFR should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
  - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or
  - (ii) the RFR is calculated in accordance with any such policy or arrangement for a period no less than the period specified as the “RFR Contingency Period” in the Reference Rate Terms; or
- (d) in the opinion of the Majority Lenders and the Borrower, the RFR is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

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

“**Replacement Reference Rate**” means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for the RFR by:
  - (i) the administrator of the RFR (provided that the market or economic reality that such reference rate measures is the same as that measured by the RFR); or
  - (ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Reference Rate” will be the replacement under sub-paragraph (ii) above;

- (b) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to the RFR; or
- (e) in the opinion of the Majority Lenders and the Borrower, an appropriate successor or alternative to the RFR.

#### **43.5 Borrower Intent**

Without prejudice to the generality of Clauses 1.2 (*Construction*), each Borrower expressly confirms that it intends that any guarantee contained in this Agreement or any other Finance Document and any Security created by any Finance Document shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

## 44 CONFIDENTIAL INFORMATION

### 44.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 44.2 (*Disclosure of Confidential Information*) and Clause 44.4 (*Disclosure to numbering service providers*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

### 44.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, insurers, reinsurers, 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 29.15 (*Relationship with the other Finance Parties*));
  - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) of paragraph (b) above;

- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitrations, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 27.7 (*Security over Lenders' rights*);
- (viii) which is a classification society or other entity which a Lender has engaged to make the calculations necessary to enable that Lender to comply with its reporting obligations under the Poseidon Principles;
- (ix) who is a Party, a member of the Group or any related entity of a Transaction Obligor;
- (x) as a result of the registration of any Finance Document as contemplated by any Finance Document or any legal opinion obtained in connection with any Finance Document; or
- (xi) with the consent of the Guarantor;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to sub-paragraphs (i), (ii) and (iii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to sub-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 Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

#### **44.3 DAC6**

Nothing in any Finance Document shall prevent disclosure of any Confidential Information or other matter to the extent that preventing that disclosure would otherwise cause any transaction contemplated by the Finance Documents or any transaction carried out in connection with any transaction contemplated by the Finance Documents to become an arrangement described in Part II A 1 of Annex IV of Directive 2011/16/EU.

#### **44.4 Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Transaction Obligors the following information:
  - (i) names of Transaction Obligors;
  - (ii) country of domicile of Transaction Obligors;
  - (iii) place of incorporation of Transaction Obligors;
  - (iv) date of this Agreement;
  - (v) Clause 47 (*Governing Law*);
  - (vi) the names of the Facility Agent and the Mandated Lead Arranger;
  - (vii) date of each amendment and restatement of this Agreement;
  - (viii) amount of Total Commitments;
  - (ix) currency of the Facility;
  - (x) type of Facility;
  - (xi) ranking of Facility;
  - (xii) Termination Date;
  - (xiii) changes to any of the information previously supplied pursuant to sub-paragraphs (i) to (xii) above; and
  - (xiv) such other information agreed between such Finance Party and the Borrowers,to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Transaction Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) Each Obligor represents, on behalf of itself and the other Transaction Obligors, that none of the information set out in sub-paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Facility Agent shall notify the Guarantor and the other Finance Parties of:
  - (i) the name of any numbering service provider appointed by the Facility Agent in respect of this Agreement, the Facility and/or one or more Transaction Obligors; and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Transaction Obligors by such numbering service provider.

#### **44.5 Entire agreement**

This Clause 44 (*Confidential Information*) constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

#### **44.6 Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

#### **44.7 Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (v) of paragraph (b) of Clause 44.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function;
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 44 (*Confidential Information*); and
- (c) in respect of any publicity regarding the Facility or any of the terms thereof which shall be agreed in advance by the Guarantor and the Facility Agent unless otherwise required in connection with the Guarantor's reporting obligations under or in connection with the rules and regulations of the SEC and any US Stock Exchange applicable to the Guarantor.

#### **44.8 Use of logo and/or trademark**

Subject to the Borrowers' prior written consent (such consent not to be unreasonably withheld), each of the Facility Agent and/or the Mandated Lead Arranger has the right, at its expense, to publish information regarding its participation in, and the agency and arrangement of this Agreement and have the right to use the Borrowers' and/or the Guarantor's logo and trademark in connection with such publication.

#### **44.9 Continuing obligations**

The obligations in this Clause 44 (*Confidential Information*) are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Borrowers under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

### **45 CONFIDENTIALITY OF FUNDING RATES**

#### **45.1 Confidentiality and disclosure**

- (a) The Facility Agent and each Borrower agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Facility Agent may disclose:
  - (i) any Funding Rate to the Borrowers pursuant to Clause 8.4 (*Notifications*); and
  - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Facility Agent and the relevant Lender.
- (c) The Facility Agent and each Borrower may disclose any Funding Rate, to:
  - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this sub-paragraph (i) is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;

- (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Borrower, as the case may be, it is not practicable to do so in the circumstances;
- (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price sensitive information except that there shall be no requirement to so inform if, in the opinion of the Facility Agent or the relevant Borrower, as the case may be, it is not practicable to do so in the circumstances; and
- (iv) any person with the consent of the relevant Lender.

#### **45.2 Related obligations**

- (a) The Facility Agent and each Borrower acknowledge that each Funding Rate is or may be price sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Facility Agent and each Borrower undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Facility Agent and each Borrower agree (to the extent permitted by law and regulation) to inform the relevant Lender:
  - (i) of the circumstances of any disclosure made pursuant to sub-paragraph (ii) of paragraph (c) of Clause 45.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
  - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 45 (*Confidentiality of Funding Rates*).

#### **45.3 No Event of Default**

No Event of Default will occur under Clause 26.4 (*Other obligations*) by reason only of a Borrower's failure to comply with this Clause 45 (*Confidentiality of Funding Rates*).

#### **46 COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

**SECTION 12**  
**GOVERNING LAW AND ENFORCEMENT**

**47 GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

**48 ENFORCEMENT**

**48.1 Jurisdiction**

- (a) Unless specifically provided in another Finance Document in relation to that Finance Document, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with any Finance Document (including a dispute regarding the existence, validity or termination of any Finance Document or any non-contractual obligation arising out of or in connection with any Finance Document) (a “**Dispute**”).
- (b) The Borrowers accept that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Borrower will argue to the contrary.
- (c) This Clause 48.1 (*Jurisdiction*) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

**48.2 Service of process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Borrower (other than an Borrower incorporated in England and Wales):
  - (i) irrevocably appoints Hill Dickinson Services (London) Limited at its current address at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England, as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document; and
  - (ii) agrees that failure by a process agent to notify the relevant Borrower of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrowers must immediately (and in any event within 5 days of such event taking place) appoint another agent on terms acceptable to the Facility Agent. Failing this, the Facility Agent may appoint another agent for this purpose.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

**BORROWERS**

**SIGNED** by Maria Trivela ) /s/ Maria Trivela  
as attorney-in-fact ) \_\_\_\_\_  
for and on behalf of )  
**MELPOMENE SHIPPING** )  
**CORPORATION** )  
in the presence of: )  
)

Witness' signature: ) /s/ AIKATERINA DIMITRIOU  
Witness' name: ) AIKATERINA DIMITRIOU  
Witness' address: ) WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176 74 KALLITHEA  
ATHENS—GREECE

**SIGNED** by Maria Trivela ) /s/ Maria Trivela  
as attorney-in-fact ) \_\_\_\_\_  
for and on behalf of )  
**URANIA SHIPPING CORPORATION** )  
in the presence of: )  
)

Witness' signature: ) /s/ AIKATERINA DIMITRIOU  
Witness' name: ) AIKATERINA DIMITRIOU  
Witness' address: ) WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176 74 KALLITHEA  
ATHENS—GREECE

**ORIGINAL LENDERS**

**SIGNED** by Charalampos Kazantzis ) /s/ Charalampos Kazantzis  
duly authorised ) \_\_\_\_\_  
for and on behalf of )  
**KFW IPEX-BANK GMBH** )  
in the presence of: )  
)

Witness' signature: ) /s/ AIKATERINA DIMITRIOU  
Witness' name: ) AIKATERINA DIMITRIOU  
Witness' address: ) WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176 74 KALLITHEA  
ATHENS—GREECE

**MANDATED LEAD ARRANGER**

**SIGNED** by Charalampos Kazantzis )  
duly authorised )  
for and on behalf of )  
**KFW IPEX-BANK GMBH** )  
in the presence of: )  
)

/s/ Charalampos Kazantzis

Witness' signature: )  
Witness' name: )  
Witness' address: )

AIKATERINA DIMITRIOU  
WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176 74 KALLITHEA  
ATHENS—GREECE

**FACILITY AGENT**

**SIGNED** by Charalampos Kazantzis )  
duly authorised )  
for and on behalf of )  
**KFW IPEX-BANK GMBH** )  
in the presence of: )  
)

/s/ Charalampos Kazantzis

Witness' signature: )  
Witness' name: )  
Witness' address: )

AIKATERINA DIMITRIOU  
WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176 74 KALLITHEA  
ATHENS—GREECE

**SECURITY AGENT**

**SIGNED** by Charalampos Kazantzis )  
duly authorised )  
for and on behalf of )  
**KFW IPEX-BANK GMBH** )  
in the presence of: )  
)

/s/ Charalampos Kazantzis

Witness' signature: )  
Witness' name: )  
Witness' address: )

AIKATERINA DIMITRIOU  
WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176 74 KALLITHEA  
ATHENS—GREECE



# BARECON 2001

STANDARD BAREBOAT CHARTER

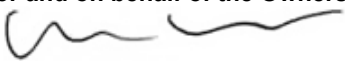
PART I

1. Shipbroker <b>N/A</b>	2. Place and date <b>23 OCT 2022</b>	
3. Owners/Place of business (Cl. 1) <b>XIANG H129 INTERNATIONAL SHIP LEASE CO., LIMITED, a company incorporated under the laws of Hong Kong with registration number 3189530 whose registered office is at 17/F Beautiful Group Tower 77, Connaught Rd Central, Hong Kong</b>	4. Bareboat Charterers/Place of business (Cl. 1) <b>MORVEN CHARTERING INC., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands whose registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960</b>	
5. Vessel's name, call sign and flag (Cl. 1 and 3) <b>Vessel's name: Matson Oahu Call sign: V7JY3 Flag: Marshall Islands</b>		
6. Type of Vessel <b>Container Carrier</b>	7. GT/NT <b>36483 / 19021</b>	
8. When/Where built <b>2006 / Hyundai Mipo Dockyard Co., Ltd.</b>	9. Total DWT (abt.) in metric tons on summer freeboard <b>N/A</b>	
10. Classification Society (Cl. 3) <b>DNV GL</b>	11. Date of last special survey by the Vessel's classification society <b>N/A</b>	
12. Further particulars of Vessel (also indicate minimum number of months' validity of class certificates agreed acc. to Cl. 3) <b>IMO No.: 9308015 Length: 226.38M Breadth: 32.20M Depth: 16.80M</b>		
13. Port or Place of delivery (Cl. 3) <b>The place of delivery specified under Clause 5(a) of the MOA</b>	14. Time for delivery (Cl. 4) <b>See Clause 34 (Delivery of Vessel)</b>	15. Cancelling date (Cl. 5) <b>N/A</b>
16. Port or Place of redelivery (Cl. 15) <b>See Clause 40 (Termination, Redelivery and Total Loss)</b>	17. No. of months' validity of trading and class certificates upon redelivery (Cl. 15) <b>See Clause 40 (Termination, Redelivery and Total Loss)</b>	
18. Running days' notice if other than stated in Cl. 4 <b>N/A</b>	19. Frequency of dry-docking (Cl. 10(g)) <b>In accordance with Classification Society or Flag State requirements</b>	
20. Trading limits (Cl. 6) <b>Worldwide within International Navigating Limits</b>		
21. Charter period (Cl. 2) <b>See Clause 32 (Charter Period)</b>	22. Charter hire (Cl. 11) <b>See Clause 36 (Charterhire and Upfront Charterhire)</b>	
23. New class and other safety requirements (state percentage of Vessel's insurance value acc. to Box 29)(Cl. 10(a)(ii)) <b>N/A</b>		
24. Rate of interest payable acc. to Cl. 11 (f) and, if applicable, acc. to PART IV <b>See Clause 36 (Charterhire and Upfront Charterhire) - neither Clause 11 (f) nor Part IV applies</b>	25. Currency and method of payment (Cl. 11) <b>Dollars/bank transfer</b>	
26. Place of payment; also state beneficiary and bank account (Cl. 11) <b>See Clause 36 (Charterhire and Upfront Charterhire)</b>	27. Bank guarantee/bond (sum and place) (Cl. 24) (optional) <b>See Clause 24 (Corporate Guarantee)</b>	
28. Mortgage(s), if any (state whether 12(a) or (b) applies; if 12(b) applies state date of Financial Instrument and name of Mortgagee(s)/Place of business) (Cl. 12) <b>See Clause 35 (Quiet Enjoyment) - Clause 12 does not apply</b>	29. Insurance (hull and machinery and war risks) (state value acc. to Cl. 13(f) or, if applicable, acc. to Cl. 14(k)) (also state if Cl. 14 applies) <b>See Clause 38 (Insurance) - Clause 14 does not apply</b>	
30. Additional insurance cover, if any, for Owners' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) <b>See Clause 38 (Insurance)</b>	31. Additional insurance cover, if any, for Charterers' account limited to (Cl. 13(b) or, if applicable, Cl. 14(g)) <b>See Clause 38 (Insurance)</b>	




32. Latent defects (only to be filled in if period other than stated in Cl. 3) <b>N/A</b>	33. Brokerage commission and to whom payable (CL 27) <b>N/A</b>
34. Grace period (state number of clear banking days) (Cl. 28) <b>See Clause 44 (Termination Events)</b>	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) <b>(c) See Clause 30(a) (Dispute Resolution)</b>
36. War cancellation (indicate countries agreed) (Cl. 26(f)) <b>N/A</b>	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) <b>No, Part III does not apply</b>	38. Name and place of Builders (only to be filled in if PART III applies) <b>N/A</b>
39. Vessel's Yard Building No. (only to be filled in if PART III applies) <b>N/A</b>	40. Date of Building Contract (only to be filled in if PART III applies) <b>N/A</b>
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) <b>N/A</b> b) <b>N/A</b> c) <b>N/A</b>	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) <b>No, Part IV does not apply</b>	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) <b>No, Part V does not apply</b>
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) <b>N/A</b>	45. Country of the Underlying Registry (only to be filled in if PART V applies) <b>N/A</b>
46. Number of additional clauses covering special provisions, if agreed <b>Clause 32 (Charter Period) to Clause 60 (Definitions)</b>	

PREAMBLE - it is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) <b>For and on behalf of the Owners</b>  Name: <b>CHEN SILIN</b> Title: <b>Attorney-in-Fact</b>	Signature (Charterers) <b>For and on behalf of the Charterers</b>  Name: Title:
--	---

32. Latent defects (only to be filled in if period other than stated in Cl. 3) <b>N/A</b>	33. Brokerage commission and to whom payable (Cl. 27) <b>N/A</b>
34. Grace period (state number of clear banking days) (Cl. 28) <b>See Clause 44 (Termination Events)</b>	35. Dispute Resolution (state 30(a), 30(b) or 30(c); if 30(c) agreed Place of Arbitration must be stated (Cl. 30) <b>(c) See Clause 30(a) (Dispute Resolution)</b>
36. War cancellation (indicate countries agreed) (Cl. 26(f)) <b>N/A</b>	
37. Newbuilding Vessel (indicate with "yes" or "no" whether PART III applies) (optional) <b>No, Part III does not apply</b>	38. Name and place of Builders (only to be filled in if PART III applies) <b>N/A</b>
39. Vessel's Yard Building No. (only to be filled in if PART III applies) <b>N/A</b>	40. Date of Building Contract (only to be filled in if PART III applies) <b>N/A</b>
41. Liquidated damages and costs shall accrue to (state party acc. to Cl. 1) a) <b>N/A</b> b) <b>N/A</b> c) <b>N/A</b>	
42. Hire/Purchase agreement (indicate with "yes" or "no" whether PART IV applies) (optional) <b>No, Part IV does not apply</b>	43. Bareboat Charter Registry (indicate with "yes" or "no" whether PART V applies) (optional) <b>No, Part V does not apply</b>
44. Flag and Country of the Bareboat Charter Registry (only to be filled in if PART V applies) <b>N/A</b>	45. Country of the Underlying Registry (only to be filled in if PART V applies) <b>N/A</b>
46. Number of additional clauses covering special provisions, if agreed <b>Clause 32 (Charter Period) to Clause 60 (Definitions)</b>	

PREAMBLE- It is mutually agreed that this Contract shall be performed subject to the conditions contained in this Charter which shall include PART I and PART II. In the event of a conflict of conditions, the provisions of PART I shall prevail over those of PART II to the extent of such conflict but no further. It is further mutually agreed that PART III and/or PART IV and/or PART V shall only apply and only form part of this Charter if expressly agreed and stated in Boxes 37, 42 and 43. If PART III and/or PART IV and/or PART V apply, it is further agreed that in the event of a conflict of conditions, the provisions of PART I and PART II shall prevail over those of PART III and/or PART IV and/or PART V to the extent of such conflict but no further.

Signature (Owners) <b>For and on behalf of the Owners</b>      Name: Title:	Signature (Charterers) <b>For and on behalf of the Charterers</b>    Name: Maria Trivela Title: Attorney-in-fact
---	--

**ADDITIONAL CLAUSES TO BARECON 2001**  
**DATED 23 October 2022**

**Clause 32 – CHARTER PERIOD**

- 32.1 For the avoidance of doubt, notwithstanding the fact that the Charter Period shall commence on the Delivery Date, this Charter shall be:
- (a) in full force and effect; and
  - (b) valid, binding and enforceable against the parties hereto,
- with effect from the date of this Charter until the end of the Charter Period (subject to the terms of this Charter).
- 32.2 The charter period shall, subject to the terms of this Charter, continue for a period of thirty-nine (39) months from the Delivery Date.

**Clause 33 – CANCELLATION**

- 33.1 If:
- (a) a Termination Event which is continuing occurs prior to the delivery of the Vessel by the Charterers as sellers to the Owners as buyers under the MOA;
  - (b) it becomes unlawful for the Owners (as buyers) to perform or comply with any or all of their obligations under the MOA or any of the obligations of the Owners under the MOA are not or cease to be legal, valid, binding and enforceable; and/or
  - (c) the MOA expires, is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason,

then this Charter shall immediately terminate and be cancelled (provided that any provision hereof expressed to survive such termination or cancellation shall so do in accordance with its terms) without the need for either of the Owners or the Charterers to take any action whatsoever, provided that the Owners shall be entitled to retain all fees or amounts paid by the Charterers pursuant to Clause 41.1 (and without prejudice to Clause 41.1, if such fees or amounts have not been paid but are due and payable, the Charterers shall forthwith pay such fees or amounts to the Owners in accordance with Clause 41.1) and such payment and the payment of:

- (i) all other amounts payable under this Charter which have fallen due on or prior to the date on which this Charter may be terminated pursuant to this Clause 33 (*Cancellation*) (but which remain unpaid together with any default interest thereon); and
- (ii) any costs and expenses incurred by the Owners in collecting any payments due under this Charter or in obtaining the due performance of the obligations of the Charterers under this Charter or the other Leasing Documents and any default interest in relation thereto,

is acknowledged by the Charterers to be proportionate as to amount, having regard to the legitimate interest of the Owners, in protecting against the Owners' risk of the Charterers failing to perform their obligations under this Charter.

## Clause 34 – DELIVERY OF VESSEL

### 34.1

- (a) This Charter is part of a transaction involving the sale, purchase and charter back of the Vessel and constitutes one of the Leasing Documents.
- (b) The obligation of the Owners to charter the Vessel to the Charterers hereunder is subject to and conditional upon:
- (i) the delivery of the Vessel by the Charterers as sellers to the Owners as buyers in accordance with the terms of the MOA with such Delivery occurring on or before the Cancelling Date (and, for the purposes of this Charter, the Vessel shall be deemed delivered to the Charterers simultaneously with delivery of the Vessel to the Owners pursuant to the MOA);
  - (ii) no Potential Termination Event or Termination Event has occurred and is continuing at the relevant time;
  - (iii) the representations and warranties contained in Clause 45 (Representations and warranties) being true and correct on the date of this Charter and each day thereafter until and including the last day of the Charter Period; and
  - (iv) the Owners having received from the Charterers:
    - (A) on or prior to Delivery, the documents or evidence set out in Part A, Part B and Part C of Schedule II in form and substance satisfactory to them; and
    - (B) after Delivery, the documents or evidence set out in Part D of Schedule II in form and substance satisfactory to them within the time periods set out thereunder;

and if any of the documents listed in sub-paragraph (iv) above are not in the English language then they shall be accompanied by a certified English translation.

34.2 The conditions precedent and conditions subsequent specified in Clause 34.1(b) are for the sole benefit of the Owners.

34.3 On delivery to and acceptance by the Owners (in their capacity as buyers) of the Vessel under the MOA from the Charterers (in their capacity as sellers) and subject to the provisions of this Clause 34 (*Delivery of Vessel*), the Vessel shall be deemed to have been delivered to, and accepted without reservation by, the Charterers under this Charter and the Charterers shall become and be entitled to the possession and use of the Vessel on and subject to the terms and conditions of this Charter.

34.4 On Delivery, as evidence of the commencement of the Charter Period, the Charterers shall sign and deliver to the Owners, the Acceptance Certificate. Without prejudice to this Clause 34.4, the Charterers shall be deemed to have accepted the Vessel under this Charter and the commencement of the Charter Period having started, on Delivery even if for whatever reason, the Acceptance Certificate is not signed and/or the Charterers do not take actual possession of the Vessel at that time.

- 34.5 The Charterers shall not be entitled for any reason whatsoever to refuse to accept delivery of the Vessel under this Charter once the Vessel has been delivered to and accepted by the Owners as buyers under the MOA from the Charterers as sellers, and the Owners shall not be liable for any losses, costs or expenses whatsoever or howsoever arising including, without limitation, any loss of profit or any loss or otherwise:
- (a) resulting directly or indirectly from any defect or alleged defect in the Vessel or any failure of the Vessel; or
  - (b) arising from any delay in the commencement of the Charter Period or any failure of the Charter Period to commence.
- 34.6 The Owners will not and shall not be obliged to deliver the Vessel to the Charterers with any bunkers and unused lubricating oils and greases (whether in storage tanks and unopened drums or otherwise) except such items (including bunkers, lubricating oils, un-broached provisions, paints, ropes and other consumable stores) as are on the Vessel on Delivery.
- 34.7 The Charterers shall, following the Owners' delivery of items on board the Vessel on Delivery pursuant to Clause 34.6, keep all such items on board the Vessel for the Charterers' own use.

#### **Clause 35 – QUIET ENJOYMENT**

- 35.1 Provided that no Potential Termination Event or Termination Event has occurred and is continuing, the Owners hereby agree not to disturb or interfere (or instruct another party to disturb or interfere) with the Charterers' lawful use, possession and quiet enjoyment of the Vessel during the Charter Period.
- 35.2 Subject to Clause 35.1 above, the Charterers acknowledge that, at any time during the Charter Period:
- (a) the Owners are entitled to enter into certain funding arrangements with their financier(s) (the "**Mortgagee**") in order to finance in part or in full of the Purchase Price, which funding arrangements may be secured, *inter alia*, by the relevant Financial Instruments;
  - (b) the Owners may do any of the following as security for the funding arrangements referred to in paragraph (a) above, in each case, without the prior consent of the Charterers:
    - (i) execute a ship mortgage over the Vessel or any other Financial Instrument in favour of the Mortgagee;
    - (ii) assign their rights and interests to, in or in connection with this Charter and any other Leasing Document in favour of the Mortgagee;
    - (iii) assign their rights and interests to, in or in connection with the Insurances, the Earnings and the Requisition Compensation of the Vessel in favour of the Mortgagee; and
    - (iv) enter into any other document or arrangement which is necessary to give effect to such financing arrangements; and
  - (c) the Charterers undertake to comply, and provide such information and documents reasonably required to enable the Owners to comply, with all such instructions or directions in regard to the employment, insurances, operation, repairs and maintenance of the Vessel as laid down

in any Financial Instrument or as may be directed from to time during the currency of this Charter by the Mortgagee in conformity with any Financial Instrument. The Charterers further agree and acknowledge all relevant terms, conditions and provisions of each Financial Instrument (if any) and agree to acknowledge this in writing in any form that may be reasonably required by the Mortgagee.

35.3 The Owners shall use best endeavours to procure that their financier(s) enter into a quiet enjoyment agreement with the Charterers on such terms as may be agreed between the Owners, the Mortgagee and the Charterers.

#### **Clause 36 – CHARTERHIRE AND UPFRONT CHARTERHIRE**

36.1 In consideration of the Owners agreeing to charter the Vessel to the Charterers under this Charter at the request of the Charterers, the Charterers hereby irrevocably and unconditionally agree to pay to the Owners the Charterhire, the Upfront Charterhire and the Expiry Purchase Price in accordance with the terms of this Charter.

36.2 The Charterers shall pay to the Owners on the Delivery Date, the Upfront Charterhire.

36.3 The Charterers shall have the option (which may be exercisable by notifying the Owners in writing at least five (5) Business Days (or such shorter period acceptable to the Owners) prior to the date of the Payment Notice issued by the Charterers (in their capacity as sellers) under the MOA of their intention to so exercise the same) of setting off on the Delivery Date, their obligation to pay Upfront Charterhire to the Owners against the Owners' obligation to pay to the Charterers such portion of the Purchase Price in an amount equal to the Upfront Charterhire, payable by the Owners (in their capacity as buyers) to the Charterers (in their capacity as sellers) under the MOA. If such option is exercised by the Charterers, the Charterers shall be deemed to have paid the Upfront Charterhire to the Owners on the Delivery Date by virtue of the Owners setting off an amount equal to the Upfront Charterhire from the Purchase Price payable by the Owners under the MOA against the Charterers' obligation to pay the Upfront Charterhire under this Charter.

36.4 The Upfront Charterhire shall not be refundable to the Charterers and therefore shall not bear any interest.

36.5 Subject to the terms of this Clause 36 (*Charterhire and Upfront Charterhire*) the Charterers shall pay to the Owners, the Charterhire monthly in advance in thirty-nine (39) consecutive instalments to the Owners under this Charter provided that:

(a) the first instalment of the Charterhire shall be payable on the Delivery Date;

(b) the Charterers shall have the option (which may be exercisable by notifying the Owners in writing at least five (5) Business Days (or such shorter period acceptable to the Owners) prior to the date of the Payment Notice issued by the Charterers (in their capacity as sellers) under the MOA, of their intention to so exercise the same) of setting off, on the Delivery Date, their obligation to pay such first instalment of Charterhire against the Owners' obligation to pay such portion of the Purchase Price in an amount equal to that first instalment of Charterhire, payable by the Owners (in their capacity as buyers) to the Charterers (in their capacity as sellers) under the MOA and if such option is exercised by the Charterers, the Charterers shall be deemed to have paid the first instalment of Charterhire to the Owners on the Delivery Date by virtue of the Owners setting off an amount equal to the first instalment of Charterhire from the Purchase Price payable by the Owners under the MOA against the Charterers' obligation to pay such first instalment of Charterhire under this Charter;

- (c) the second instalment of Charterhire shall be payable on:
    - (i) in the case where the Delivery Date falls on the same date as the Navios Spring Delivery Date, the date falling one (1) month after the Delivery Date;
    - (ii) in the case where the Delivery Date falls after the Navios Spring Delivery Date, the date falling one (1) month after the Navios Spring Delivery Date;(such payment date, the “**Second Payment Date**”);
  - (d) the third instalment of Charterhire shall be payable on the date falling one (1) month after the Second Payment Date;
  - (e) each subsequent instalment of the Charterhire shall be payable on the date falling one (1) month after the previous instalment payment of the Charterhire; and
  - (f) the final instalment of the Charterhire shall be payable on the date falling thirty-eight (38) months after the Delivery Date.
- 36.6 The Vessel shall not at any time be deemed off-hire and the Charterers’ obligation to pay all Charterhire, the Upfront Charterhire and other amounts payable under the Leasing Documents shall be absolute and unconditional under any and all circumstances and shall not be affected by any circumstances of any nature whatsoever including but not limited to:
- (a) any set-off (other than any set-off referred to in Clause 36.3, Clause 36.5(b) or Clause 41.2), counterclaim, recoupment, defence, claim or other right which the Charterers may at any time have against the Owners or any other person for any reason whatsoever including, without limitation, any act, omission or breach on the part of the Owners under this Charter or any other agreement at any time existing between the Owners and the Charterers;
  - (b) any change, extension, indulgence or other act or omission in respect of any indebtedness or obligation of the Charterers, or any sale, exchange, release or surrender of, or other dealing in, any security for any such indebtedness or obligation;
  - (c) any title defect or encumbrance or any dispossession of the Vessel by title paramount or otherwise;
  - (d) any defect in the seaworthiness, condition, value, design, merchantability, operation or fitness for use of the Vessel or the ineligibility of the Vessel for any particular trade;
  - (e) the Total Loss or any damage to or forfeiture or court marshal or other sale of the Vessel;
  - (f) any libel, attachment, levy, detention, sequestration or taking into custody of the Vessel or any restriction or prevention of or interference with or interruption or cessation in, the use or possession thereof by the Charterers;
  - (g) any insolvency, bankruptcy, reorganization, arrangement, readjustment, dissolution, striking-off, liquidation or similar proceedings by or against the Charterers;
  - (h) any invalidity, unenforceability, lack of due authorization or other defects, or any failure or delay in performing or complying with any of the terms and provisions of this Charter or the other Leasing Documents by any party to this Charter or any other person;

- (i) any enforcement or attempted enforcement by the Owners of their rights under this Charter or any of the Leasing Documents executed or to be executed pursuant to this Charter; or
  - (j) any loss of use of the Vessel due to deficiency or default or strike of officers or crew, fire, breakdown, damage, accident, defective cargo or any other cause which would or might but for this provision have the effect of terminating or in any way affecting any obligation of the Charterers under this Charter.
- 36.7 Time of payment of the Charterhire, the Upfront Charterhire and other payments by the Charterers shall be of the essence of this Charter and the other Leasing Documents.
- 36.8 All payments of the Charterhire, the Upfront Charterhire and any other amounts payable under the Leasing Documents shall be made in Dollars and shall be received by the Owners in same day available funds and by not later than 4.00p.m. (Shanghai time) on the due date thereof.
- 36.9 All Charterhire and any moneys payable hereunder shall be payable by the Charterers to the Owners to such account as the Owners may notify the Charterers in writing.
- 36.10 Payment of the Charterhire, the Upfront Charterhire and any other amounts payable to the Owners under the Leasing Documents shall be at the Charterers' risk until receipt by the Owners.
- 36.11 All stamp duty, value added tax, withholding or other taxes (excluding taxes levied on the overall income of the Owners) and import and export duties and all other similar types of charges which may be levied or assessed on or in connection with:
- (a) the operation of this Charter in respect of the hire and all other payments to be made pursuant to this Charter and the remittance thereof to the Owners; and
  - (b) the import, export, purchase, delivery and re-delivery of the Vessel,
- shall be borne by the Charterers. The Charterers shall pay, if applicable, value added tax and other similar tax levied on any Charterhire, the Upfront Charterhire and any other payments payable under this Charter by addition to, and at the time of payment of, such amounts.
- 36.12 If the Charterers fail to make any payment due under this Charter on the due date, they shall pay interest on such late payment at the default rate of two per cent. (2%) plus the Interest Rate per annum from the date on which such payment became due until the date of payment thereof.
- 36.13 All default interest and any other payments under this Charter which are of an annual or periodic nature shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360 day year.
- 36.14 Any payment which is due to be made on a day which is not a Business Day, shall be made on the preceding Business Day.

#### **Clause 37 – POSSESSION OF VESSEL**

- 37.1 The Charterers shall not, without the prior written consent of the Owners, assign, mortgage or pledge the Vessel or any interest therein, its Earnings, Insurances and Requisition Compensation and/or any of its rights and interests under any Approved Sub-charter, and shall



not permit the creation of any Security Interest thereon other than the Permitted Security Interests.

- 37.2 The Charterers shall promptly notify each Approved Sub-charterer or such other party as the Owners may request, in writing that the Vessel is the property of the Owners and the Charterers shall provide the Owners with a copy of such written acknowledgement in such form and substance satisfactory to the Owners evidencing that such party has received such written notification.
- 37.3 If the Vessel is arrested, seized, impounded, forfeited, detained or taken out of their possession or control (whether or not pursuant to any distress, execution or other legal process), the Charterers shall procure the immediate release of the Vessel (whether by providing bail or procuring the provision of security or otherwise do such lawful things as the circumstances may require) and shall immediately notify the Owners of such event and shall indemnify the Owners against all documented losses, costs or charges incurred by the Owners by reason thereof in re-taking possession or otherwise in re-acquiring the Vessel. Without prejudice to the generality of the foregoing, the Charterers agree to indemnify the Owners against all consequences or liabilities arising from the master, officers or agents signing bills of lading or other documents.
- 37.4 The Charterers shall pay and discharge or cause that any sub-charterer of the Vessel shall promptly pay and discharge all obligations and liabilities whatsoever which have given or may give rise to liens on or claims enforceable against the Vessel and take all steps to prevent an arrest (threatened or otherwise) of the Vessel.

#### **Clause 38 – INSURANCE**

- 38.1 The Charterers shall procure that insurances are effected in form and substance satisfactory to the Owners and their financiers (if any):
- (a) in Dollars;
  - (b) in the case of fire and usual hull and machinery, marine risks and war risks (including blocking and trapping), on an agreed value basis in an amount no less than the higher from time to time of (i) 120% of the then Outstanding Principal Balance and (ii) the prevailing Market Value ;
  - (c) in the case of oil pollution liability risks for the Vessel, for an aggregate amount equal to the highest level of cover from time to time available under protection and indemnity club entry and in the international marine insurance market and for an amount of not less than US\$1,000,000,000;
  - (d) in relation to protection and indemnity risks in respect of the full tonnage of the Vessel;
  - (e) through approved brokers and with first class international insurers and/or underwriters acceptable to the Owners (acting reasonably) and their financiers (if any) (including having a Standard & Poor's rating of BBB+ or above, a Moody's rating of A or above or an AM Best rating of A- or above) or, in the case of war risks and protection and indemnity risks, in a war risks and protection and indemnity risks association acceptable to the Owners (acting reasonably) and their financiers (if any) (including being a member of the International Group of Protection and Indemnity Clubs);
  - (f) on no less favourable terms which the Charterers may be under an obligation (if any) to maintain under the terms of any Approved Sub-charter; and

(g) otherwise on such terms as may be acceptable to the Owners and their financiers (if any).

38.2 In addition to the terms set out in Clause 13(a), the Charterers shall procure that the obligatory insurances shall:

(a) subject always to paragraph (b), name the Charterers, the Approved Managers and the Owners (if so required by the Owners) as the only named assureds unless the interest of every other named assured or co-assured is limited:

(i) in respect of any obligatory insurances for hull and machinery and war risks;

(A) to any provable out-of-pocket expenses that they have 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 them); and

(ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries they are entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against them,

and every other named assured or co-assured has undertaken in writing to the Owners or their financiers in such form as they may require, that any deductible shall be apportioned between the Charterers and every other named assured or co-assured in proportion to the gross claims made by or paid to each of them and that they shall do all things necessary and provide all documents, evidence and information to enable the Owners and their financiers (if any) in accordance with the terms of the loss payable clause, to collect or recover any moneys which at any time become payable in respect of the obligatory insurances;

(b) whenever the Owners or a financier of the Owners requires:

(i) in respect of fire and other usual marine risks and war risks, name (or be amended to name) the same as additional named assured for their rights and interests, warranted no operational interest and with full waiver of rights of subrogation against such financiers, but without such financiers thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;

(ii) in relation to protection and indemnity risks, name (or be amended to name) the same as additional insured or co-assured for their rights and interests to the extent permissible under the relevant protection and indemnity club rules; and

(iii) name the Owners' financiers (as applicable) and the Owners (as applicable) as the first ranking loss payee and the second ranking loss payee respectively (and in the absence of any financiers, the Owners as first ranking loss payee) in accordance with the terms of the relevant loss payable clauses approved by the Owners' financiers and the Owners (such approval not to be unreasonably withheld) with such directions for payment in accordance with the terms of such relevant loss payable clause, as the Owners and their financiers (if any) may specify;

(c) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Owners and/or their financiers (as applicable) shall be made without set-off, counterclaim or deductions or condition whatsoever;

- (d) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Owners or their financiers (if any);
- (e) provide that the Owners and/or their financiers (if any) may make proof of loss if the Charterers fail to do so; and
- (f) provide that if any obligatory insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Owners, or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, change or lapse shall not be effective with respect to the Owners and/or their financiers (if any) for fourteen (14) days (or seven (7) days in the case of war risks), or such other period as may be agreed by the Owners and/or their financiers (if any), after receipt by the Owners and/or their financiers (if any) of prior written notice from the insurers of such cancellation, change or lapse.

38.3 The Charterers shall:

- (a) at least fourteen (14) days prior to Delivery (or such shorter period agreed by the parties), notify in writing the Owners (copied to their financiers (if any)) of the terms and conditions of all Insurances;
- (b) at least fourteen (14) days before the expiry of any obligatory insurance, notify the Owners (copied to their financiers (if any)) of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom the Charterers propose to renew that obligatory insurance and of the proposed terms of renewal and obtain the Owners' approval (such approval not to be unreasonably withheld and in any event, having regard to the requirements on insurance cover referred to under this Charter);
- (c) at least seven (7) days before the expiry of any obligatory insurance, procure that such obligatory insurance is renewed or to be renewed on its expiry date in accordance with the provisions of this Charter;
- (d) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal or the effective date of the new insurance and protection and indemnity cover notify the Owners (copied to their financiers (if any)) in writing of the terms and conditions of the renewal; and
- (e) as soon as practicable after the expiry of any obligatory insurance, deliver to the Owners a letter of undertaking as required by this Charter in respect of such Insurances for the Vessel as renewed pursuant to this Clause 38.3 together with copies of the relevant policies or cover notes or entry certificates duly endorsed with the interest of the Owners and/or their financiers (if any).

38.4 The Charterers shall ensure that all insurance companies and/or underwriters, and/or (if any) insurance brokers provide the Owners with all copies of policies, cover notes and certificates of entry (or originals where so requested by the Owners following the occurrence of a Termination Event or Potential Termination Event) relating to the obligatory insurances which they are to effect or renew and of a letter or letters or undertaking in a form required by the Owners and/or their financiers (if any) (which the Charterers shall procure the relevant insurance companies, underwriters and/or insurance brokers to provide upon renewal or receipt of the insurance companies, underwriters and/or insurance brokers or an executed notice of assignment), and such letter or letters of undertaking shall include undertakings by the insurance companies and/or underwriters that:

- (a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of this Charter and the Financial Instruments;
  - (b) they will hold the benefit of such policies and such insurances, to the order of the Owners and/or their financiers (if any) and/or such other party in accordance with the said loss payable clause;
  - (c) they will advise the Owners and their financiers (if any) promptly of any material change to the terms of the obligatory insurances of which they are aware;
  - (d) (i) they will indicate in the letters of undertaking that they will immediately notify the Owners and their financiers (if any) when any cancellation, charge or lapse of the relevant obligatory insurance occurs and (ii) following a written application from the Owners and/or their financiers (if any) not later than one (1) month before the expiry of the obligatory insurances they will notify the Owners and their financiers (if any) not less than fourteen (14) days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from the Charterers and, in the event of their receiving instructions to renew, they will promptly notify the Owners and their financiers (if any) of the terms of the instructions; and
  - (e) if any of the obligatory insurances form part of any fleet cover, the Charterers shall procure that the insurance broker(s), or leading insurer, as the case may be, undertakes to the Owners and their financiers (if any) that such insurance broker or insurer will not set off against any sum recoverable in respect of a claim relating to the Vessel under such obligatory insurances any premiums due in respect of any other vessel under any fleet cover of which the Vessel forms a part or any premium due for other insurances, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of the Vessel forthwith upon being so requested by the Owners and/or their financiers (if any) and where practicable.
- 38.5 The Charterers shall ensure that any protection and indemnity and/or war risks associations in which the Vessel is entered provides the Owners and their financiers (if any) with:
- (a) a copy of the certificate of entry for the Vessel as soon as such certificate of entry is issued;
  - (b) a letter or letters of undertaking in such form as may be required by the Owners and their financiers (if any) or in such association's standard form; and
  - (c) a copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to the Vessel.
- 38.6 The Charterers shall ensure that all policies relating to obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.
- 38.7 The Charterers shall procure that all premiums or other sums payable in respect of the obligatory insurances are punctually paid and produce all relevant receipts when so required by the Owners.
- 38.8 The Charterers 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.

- 38.9 The Charterers shall neither do nor omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular:
- (a) the Charterers shall procure that all necessary action is taken and all requirements are complied with which may from time to time be applicable to the obligatory insurances, and (without limiting the obligations contained in this Clause 38 (Insurance)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Owners have not given their prior approval (unless such exclusions or qualifications are made in accordance with the rules of a protection and indemnity association which is a member of the International Group of protection and indemnity associations) (such approval not to be unreasonably withheld);
  - (b) the Charterers shall not make or permit any changes relating to the classification or classification society or manager or operator of the Vessel unless such changes have first been approved by the underwriters of the obligatory insurances or the Owners (such approval not to be unreasonably withheld, and subject always to the Owners receiving credit approval on such changes);
  - (c) the Charterers shall procure that all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Vessel 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) are made and the Charterers shall promptly provide the Owners with copies of such declarations and a copy of the certificate of financial responsibility; and
  - (d) the Charterers shall not employ the Vessel, 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.
- 38.10 The Charterers shall not make or agree to any material alteration to the terms of any obligatory insurance nor waive any right relating to any obligatory insurance which would or would potentially have an adverse effect on the rights of the Owners under the Leasing Documents, in each case without the prior written consent (such consent not to be unreasonably withheld) of the Owners and their financiers (if any), and for the purposes of this Clause 38.10, “**material**” alterations shall include, without limitation, any change to the identity of the beneficiaries under such insurances or scope of cover, reduction to the insured amount, limitation on the scope of the cover and any other amendment which would cause a breach under the terms of this Charter, any Approved Sub-charter or any other Leasing Document.
- 38.11 The Charterers shall not settle, compromise or abandon any claim under any obligatory insurance for a Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Owners to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.
- 38.12 The Charterers shall provide the Owners, promptly upon the Owners’ written request, copies of:
- (a) all communications between the Charterers and:
    - (i) the approved brokers; and

- (ii) the approved protection and indemnity and/or war risks associations; and
  - (iii) the approved international insurers and/or underwriters, which relate directly or indirectly to:
    - (A) the Charterers' obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
    - (B) any credit arrangements made between the Charterers and any of the persons referred to in paragraphs (i) or (ii) relating wholly or partly to the effecting or maintenance of the obligatory insurances; and
  - (b) any communication with all parties involved in case of a claim under any of the Vessel's insurances.
- 38.13 The Charterers shall promptly provide the Owners (or any persons which they may designate) with any information which the Owners or their financiers (if any) may request for the purpose of:
- (a) obtaining or preparing any report from an independent marine insurance broker as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
  - (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13(a) or this Clause 38 (Insurance) or dealing with or considering any matters relating to any such insurances.
- 38.14 If one or more of the obligatory insurances are not effected and maintained with first class international insurers or are effected with an insurance or captive subsidiary of the Owners or the Charterers, then the Charterers shall procure, at their own expense, that the relevant insurers maintain in full force and effect facultative reinsurances with reinsurers and through brokers, in each case, of recognised standing and acceptable in all respects to the Owners and their financiers (if any). Any reinsurance policy shall include, if and when permitted by law, a cut-through clause in a form acceptable to the Owners. The Charterers shall procure that underwriters of the primary insurances assign each reinsurance to the relevant financiers in full, if required.
- 38.15 The Charterers shall upon demand fully indemnify the Owners in respect of all premiums and other expenses which are incurred by (i) the Owners (in their absolute discretion) in connection with or with a view to effecting, maintaining or renewing any lessor / innocent owners' interest insurance, lessor / innocent owners' additional perils (pollution) insurance, mortgagee's interest insurance and a mortgagee's additional perils (pollution) insurance that may be taken out in respect of the Vessel and/or (ii) the financier(s) of the Owners (if any) (in their absolute discretion) in connection with or with a view to effecting, maintaining or renewing a mortgagee's interest insurance and a mortgagee's additional perils (pollution) insurance that may be taken out in respect of the Vessel, in each case, on such terms, through such insurers and generally in such manner as the Owners may from time to time consider appropriate, and the amount of the cover under the insurances referred to this Clause 38.15 shall be equal to at least equal to the higher of (i) 120% of the then prevailing Outstanding Principal Balance and (ii) the prevailing Market Value.
- 38.16 The Charterers shall be solely responsible for and indemnify the Owners in respect of all loss or damage to the Vessel (insofar as the Owners shall not be reimbursed by the proceeds of any

insurance in respect thereof) however caused occurring at any time or times before physical possession thereof is retaken by the Owners, reasonable wear and tear to the Vessel only excepted.

38.17 The Charterers shall:

- (a) reimburse the Owners any expenses incurred by the Owners in obtaining the reports described in Clause 38.13; and
- (b) procure that there is delivered to the brokers, insurers, underwriters, associations described in Clause 38.1(e) such information in relation to the Insurances as they may require.

38.18 The Charterers shall keep the Vessel insured at their expense against such other risks which the Owners consider reasonable for a prudent shipowner or operator to insure against at the relevant time (as notified by the Owners) and which are, at that time, generally insured against by owners or operators of vessels similar to the Vessel.

38.19 The Charterers shall, in the event that an Approved Manager makes a claim under any obligatory insurances taken out in connection with this Clause 38 (*Insurance*) but is unable to or otherwise fails to pay in full any deductible in connection with such claim (in an amount as apportioned between the Charterers and every other assured in proportion to the gross claims made by or paid to each of them), pay such shortfall in deductible payable on behalf of that Approved Manager.

#### **Clause 39 – WARRANTIES RELATING TO VESSEL**

39.1 It is expressly agreed and acknowledged that the Owners are not the manufacturer or original supplier of the Vessel which has been purchased by the Owners from the Charterers as sellers pursuant to the MOA for the purpose of then chartering the Vessel to the Charterers hereunder and that no condition, term, warranty or representation of any kind is or has been given to the Charterers by or on behalf of the Owners in respect of the Vessel (or any part thereof).

39.2 All conditions, terms or warranties express or implied by the law relating to the specifications, quality, description, merchantability or fitness for any purpose of the Vessel (or any part thereof) or otherwise are hereby expressly excluded.

39.3 The Charterers agree and acknowledge that the Owners shall not be liable for any claim, loss, damage, expense or other liability of any kind or nature caused directly or indirectly by the Vessel or by any inadequacy thereof or the use or performance thereof or any repairs thereto or servicing thereof and the Charterers shall not by reason thereof be released from any liability to pay any Charterhire, the Upfront Charterhire or other payment due under this Charter or the other Leasing Documents.

#### **Clause 40 – TERMINATION, REDELIVERY AND TOTAL LOSS**

40.1 If the Termination Purchase Price becomes payable in accordance with Clause 44.2, the same shall be payable in consideration of the purchase and transfer of the legal and beneficial title of the Vessel pursuant to Clause 40.4 and it is hereby agreed by the parties hereto that payment of the Termination Purchase Price is proportionate as to amount, having regard to the legitimate interest of the Owners, in protecting against the Owners' risk of the Charterers failing to perform their obligations under this Charter.

- 40.2 Upon the full and irrevocable receipt by the Owners of the Termination Purchase Price pursuant to Clause 40.1 in full on the Termination Date, this Charter shall terminate and the title in the Vessel shall be transferred to the Charterers on the Termination Date pursuant to Clause 40.4.
- 40.3
- (a) If the Charterers fail to make full payment of the Termination Purchase Price on the Termination Date:
- (i) Clauses 36.12 and 36.13 shall apply;
  - (ii) the Charterers' right to possess and operate the Vessel shall cease on a date that the Owners advise the Charterers of and (without in any way affecting the Charterers' obligation to pay the Termination Purchase Price and Charterhire hereunder and any other moneys under this Charter) the Charterers shall, upon the Owners' request (at Owners' sole discretion), be obliged to immediately (and at the Charterers' own cost) redeliver the Vessel to the Owners on such date as the Owners may require at such ready and safe port as the Owners may require.
- (b) Without prejudice to any rights which the Owners may have in the capacity as owner of the Vessel, the Owners shall concurrently with their right to require redelivery of the Vessel pursuant to Clause 40.3(a)(ii) or Clause 44.2(b), be entitled (but not obliged) to sell the Vessel on terms they deem fit and/or to otherwise operate the Vessel on such terms as they may require and may create whatsoever interests thereon, including without limitation, charterparties or any other form of employment contracts and shall apply all such proceeds and earnings (after deducting all fees, taxes, disbursements and any other costs and expenses incurred by the Owners) towards satisfying the Termination Purchase Price.
- (c) Following any sale of the Vessel by the Owners to a third party following the Charterers' failure to pay the Termination Purchase Price, the Net Sale Proceeds shall be applied towards satisfying amounts owing under the Charter and the Other Charters in accordance with the provisions of the Trust Deed and any excess shall thereafter be paid to the Charterers but if there is a shortfall, the Charterers shall be obliged to pay such shortfall within ten (10) days of the Owners' demand. The Owners and the Charterers hereby agree that unless the Owners have not have exercised reasonable care to obtain the best price reasonably obtainable for the Vessel at the time it is sold in the relevant jurisdiction, the Charterers shall not have any claim or recourse against the Owners in relation to their power of sale.
- 40.4 Immediately upon receipt by the Owners of irrevocable payment of the Termination Purchase Price in full pursuant to the terms of this Charter, the Owners shall (save in the event of Total Loss or where ownership has already been or agreed to be transferred pursuant to Clause 40.3) transfer the legal and beneficial ownership of the Vessel on an "as is where is" basis (and, for the avoidance of doubt but without prejudice to Clause 50.1(b)), and otherwise in accordance with the terms and conditions set out at Clause 50.1(a) and (b)), to the Charterers (or their nominee) and shall (at the cost of the Charterers) execute a bill of sale and a protocol of delivery and acceptance evidencing the same and the Vessel shall be deemed to have been delivered to the Charterers (or their nominee) on the date and time set out in such protocol of delivery and acceptance (and to the extent required for such purposes, the Vessel shall be deemed first to have been redelivered to the Owners).



- 40.5 The Charterers hereby undertake to indemnify the Owners against any claims incurred in relation to the Vessel as a result of the Charterers' action or performance prior to such transfer of ownership. Any taxes, notarial, consular and other costs, charges and expenses connected with closing of the Owners' register shall be for the Charterers' account.
- 40.6 If the Charterers are required to redeliver the Vessel to the Owners pursuant to Clause 40.3(a)(ii) or following a direction of the Owners under Clause 44.2(b) or the Vessel is not purchased by the Charterers at the end of the Charter Period pursuant to Clause 49 (*Expiry Purchase Obligation*), the Charterers shall ensure that the Vessel shall, at the time of redelivery to the Owners (at the Charterers' cost and expense including any dry-docking expenses):
- (a) be in compliance with its Insurances;
  - (b) be in an equivalent classification as she was as at the Delivery Date without any recommendation or condition, and with valid, un-extended certificates for not less than six (6) months and free of average damage affecting the Vessel's classification and in the same or as good structure, state, condition and classification as that in which she was deemed on the Delivery Date, fair wear and tear not affecting the Vessel's classification excepted;
  - (c) have passed her 5-year and, if applicable, 10-year special surveys, and any subsequent intermediate surveys without any condition or outstanding issue and to the satisfaction of the Classification Society and with all the Vessel's classification, trading, national and international certificates that the Vessel had when she was delivered under this Charter and the log book and whatsoever necessary relating to the operation of the Vessel, valid and un-extended without conditions or recommendation falling due;
  - (d) have her survey cycles up to date and trading and classification certificate valid for at least six (6) months;
  - (e) be redelivered to the Owners together with all spare parts and spare equipment as were on board at the time of Delivery (but only to the extent they have not already been used in the operation of the Vessel), and any such spare parts and spare equipment on board at the time of re-delivery shall be taken over by the Owners free of charge;
  - (f) be free of any Security Interest (save for the Security Interests granted pursuant to the Financial Instruments) and free of any cargo;
  - (g) be redelivered to the Owners together with all material information generated during the Charter Period in respect of the use, possession, operation, navigation, utilization of lubricating oil and the physical condition of the Vessel, whether or not such information is contained in the Charterers' equipment, computer or property;
  - (h) be free of any charter (unless the Owners wish to retain the continuance of any then existing charter);
  - (i) be free of officers and crew (unless otherwise agreed by the Owners); and
  - (j) shall have had her underwater parts treated with ample anti-fouling to last for the ensuing period up to the next scheduled dry docking of the Vessel.
- 40.7 The Owners shall, at the time of the redelivery of the Vessel, take over all bunkers, lubricating oil, unbroached provisions, paints, ropes and other consumable stores in the Vessel at no cost to the Owners.

- 40.8 At the expiration of the Charter Period the Vessel shall be redelivered by the Charterers to the Owners at a safe and ice free port in China or Europe (or other port or place (including without limitation, at sea) the parties may agree in writing). The Charterers shall give the Owners not less than thirty (30) running days' preliminary notice of expected date and port of redelivery and not less than fourteen (14) running days' definite notice of expected date and port of redelivery.
- 40.9 If the Vessel, for any reason, becomes a Total Loss after Delivery, the Charterers shall pay the Termination Purchase Price to the Owners on the earlier of:
- (a) the date falling one hundred and twenty (120) days after such Total Loss has occurred; and
  - (b) the date of receipt by the Owners and/or their financiers (if any), in accordance with the terms of the relevant loss payable clause, of the proceeds of insurance relating to such Total Loss,

provided that it is hereby agreed that any insurance proceeds in respect of the Vessel received by the Owners and/or their financiers (if any) shall be applied in or towards discharging the Charterers' obligation to pay the Termination Purchase Price and any interest accrued thereon (and such application shall be deemed satisfaction of the Charterers' obligation to pay the Termination Purchase Price to the extent so satisfied) and in the event that the insurance proceeds received from the insurers exceed the Termination Purchase Price due (and any interest accrued thereon), the excess shall be firstly paid towards satisfying any amounts outstanding and owing by the Charterers or any of their Affiliates under any Other Charter and thereafter paid to the Charterers.

For the avoidance of doubt, in the event that the Vessel becomes a Total Loss:

- (i) payment of the Charterhire and all other sums payable under the Leasing Documents during such period shall continue to be made by the Charterers in accordance with the terms thereof unless and until the Owners receive in full the Termination Purchase Price;
- (ii) should insurance proceeds be received by the Owners from the insurers, the Charterers' obligations to pay the Termination Purchase Price shall be accordingly reduced by an amount corresponding to such insurance proceeds but in the event that such insurance proceeds are less than the amount of the Termination Purchase Price together with any interest accrued thereon, the Charterers remain obliged to pay to the Owners the balance so that the full amount of the Termination Purchase Price due together with any interest accrued thereon is received by the Owners; and
- (iii) the obligation of the Charterers to pay the Termination Purchase Price shall remain unaffected and exist regardless of whether any of the insurers have agreed or refused to meet or have disputed in good faith, the claim for Total Loss.

- 40.10 The Owners shall have no obligation to supply to the Charterers with a replacement vessel following the occurrence of a Total Loss.

#### **Clause 41 – FEES AND EXPENSES**

- 41.1 In consideration of the Owners entering into this Charter, the Charterers shall pay, (subject to Clause 41.2) without set-off, deduction or counterclaim, to the Owners or their nominee a non-refundable upfront fee equal to zero point eight zero per cent. (0.80%) of the difference

between the Purchase Price and the Upfront Charterhire (the “**Upfront Fee**”) on or before the earlier of:

- (a) the Delivery Date; and
- (b) if this Charter is terminated pursuant to Clause 33.1, immediately upon the Owners’ demand.

41.2 If the Upfront Fee shall be paid on the Delivery Date, the Charterers shall have the option (which may be exercisable by notifying the Owners in writing at least five (5) Business Days (or such shorter period acceptable to the Owners) prior to the date of the Payment Notice issued by the Charterers (in their capacity as sellers) under the MOA, of their intention to so exercise the same) of setting off, on the Delivery Date, their obligation to pay the Upfront Fee against the Owners’ obligation to pay such portion of the Purchase Price in an amount equal to the Upfront Fee, payable by the Owners (in their capacity as buyers) to the Charterers (in their capacity as sellers) under the MOA and if such option is exercised by the Charterers, the Charterers shall be deemed to have paid the Upfront Fee to the Owners on the Delivery Date by virtue of the Owners setting off an amount equal to the Upfront Fee from the Purchase Price payable by the Owners under the MOA against the Charterers’ obligation to pay the Upfront Fee under this Charter.

41.3 Without prejudice to any other rights of the Owners under this Charter, the Charterers shall promptly pay to the Owners on written demand on a full indemnity basis:

- (a) all costs, charges and expenses incurred by the Owners in collecting any Charterhire, the Upfront Charterhire or other payments not paid on the due date under this Charter, in remedying any other failure of the Charterers to observe the terms and conditions of this Charter and in enforcing the Owners’ rights under any Leasing Document; and
- (b) all costs and expenses (including, but not limited to, legal costs) reasonably incurred by the Owners in the negotiation and execution of all documentation in relation to this Charter and the other Leasing Documents including, but not limited to, all costs incurred by the Owners and all legal costs, expenses and other disbursements incurred by the Owners’ legal counsels in connection with the same.

**Clause 42 – NO WAIVER OF RIGHTS**

42.1 No neglect, delay, act, omission or indulgence on the part of either party in enforcing the terms and conditions of this Charter shall prejudice the strict rights of that party or be construed as a waiver thereof nor shall any single or partial exercise of any right of either party preclude any other or further exercise thereof.

42.2 No right or remedy conferred upon either party by this Charter shall be exclusive of any other right or remedy provided for herein or by law and all such rights and remedies shall be cumulative.

**Clause 43 – NOTICES**

43.1 Any notice, certificate, demand or other communication to be served, given made or sent under or in relation to this Charter shall be in English and in writing and (without prejudice to any other valid method or giving making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post, fax or by email to the following respective addresses:

(a) to the Owners:

**c/o BANK OF COMMUNICATIONS FINANCIAL LEASING CO., LTD.**

Room 03-04,  
27/F, 333 Lujiazui Ring Road,  
Pudong New Area,  
Shanghai 200120,  
The People's Republic of China

Attention: FAN Linna / WANG Changzhen  
Email: [fan.ln@bocommleasing.com](mailto:fan.ln@bocommleasing.com) /  
[wang.changzhen@bocommleasing.com](mailto:wang.changzhen@bocommleasing.com)

(a) (b) to the Charterers:

**c/o NAVIOS CONTAINERS MANAGEMENT INC.**

85 Akti Miaouli, 18535, Piraeus, Greece

Attention: Vasiliki Papaefthymiou  
Email: [vpapaefthymiou@navios.com](mailto:vpapaefthymiou@navios.com) /  
[legal\\_corp@navios.com](mailto:legal_corp@navios.com)

Fax: +30 210 41 72 070

or, if a party hereto changes its address or fax number, to such other address or fax number as that party may notify to the other.

#### **Clause 44 – TERMINATION EVENTS**

- 44.1 The Owners and the Charterers hereby agree that any of the following events shall constitute a Termination Event:
- (a) any of the Relevant Persons fail to make any payment:
    - (i) on its due date, in respect of any Charterhire; or
    - (ii) within five (5) days of its due date, in respect of any other amount payable,in each case, under this Charter or any other Leasing Document to which they are a party; or
  - (b) the Charterers breach or omit to observe or perform any of their undertakings in Clauses 46.1 (f), (m), (n), (o), (p), (q) or (u) or the Guarantor breaches or omits to observe or perform its financial covenants contained in clause 12.21 (financial covenants) of the Guarantee; or
  - (c) the Charterers fail to obtain and/or maintain the Insurances required under Clause 38 (Insurance) in accordance with the provisions thereof or any insurer in respect of such Insurances cancels the Insurances or disclaims liability with respect thereto; or
  - (d) any of the Relevant Persons commits any other breach of, or omits to observe or perform, any of their other obligations or undertakings in this Charter or any Leasing Document (other than a breach referred to in paragraph (a) or (b) above) unless such breach or omission is, in the reasonable opinion of the Owners, remediable and such Relevant Person remedies such breach or omission to the satisfaction of the Owners within fourteen (14) Business Days (or in the case of Clause 46.1(l), ten (10) Business Days) of the earlier of (i) notice thereof from the Owner or (ii) upon such Relevant Person becoming aware of the same; or

- (e) any representation or warranty made by any Relevant Person in or pursuant to any Leasing Document proves to be untrue or misleading in any material way when made; or
- (f) at any time after any representation or warranty in connection with a Non-subsiary Manager or made by a Non-subsiary Manager in or pursuant to any Leasing Document proves to be untrue or misleading in any material way when made and the Charterers fail to comply with the request of the Owners to change or appoint a new manager for the Vessel within the prescribed timeline; or
- (g) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person:
  - (i) any Financial Indebtedness of such Relevant Person is not paid when due or, if so payable, on demand after any applicable grace period has expired; or
  - (ii) any Financial Indebtedness of such Relevant Person becomes due and payable, or capable of being declared due and payable, prior to its stated maturity date as a consequence of any event of default and not as a consequence of the exercise of any voluntary right of prepayment; or
  - (iii) a lease, hire purchase agreement or charter creating any Financial Indebtedness of such Relevant Person is terminated by the lessor or owner as a consequence of any termination event or event of default (howsoever defined); or
  - (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of such Relevant Person ceases to be available or becomes capable of being terminated or declared due and payable or cash cover is required or becomes capable of being required, as a result of any termination event or event of default (howsoever defined),

provided that no Termination Event will occur under this Clause 44.1(g) in respect of such Relevant Person if (1) the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness for such Relevant Person falling within paragraphs (i) to (iv) above is less than (A) in the case of such Relevant Person (other than the Charterers or the Guarantor), US\$1,000,000 (or its equivalent in any other currency) in aggregate and (B) in the case of the Guarantor, less than US\$15,000,000 (or its equivalent in any other currency) in aggregate and (2) such event has, in the opinion of the Owners, arisen solely and directly from a claim which is frivolous or vexatious and such claim is discharged, stayed or dismissed within fourteen (14) days of commencement; or

- (h) any of the following occurs in relation to a Relevant Person:
  - (i) such Relevant Person becomes, in the reasonable opinion of the Owners, unable to pay their debts as they fall due; or
  - (ii) the value of the assets of such Relevant Person is less than their liabilities; or
  - (iii) (1) any assets of the Charterers, (2) any assets of the Guarantor exceeding the value of US\$15,000,000 (or its equivalent in any other currency) in aggregate or (3) any assets of any other Relevant Person exceeding US\$1,000,000 (or its equivalent in any other currency) in aggregate are subject to any form of execution, attachment, arrest, sequestration or distress which is not discharged within thirty (30) days (or such longer period agreed by the Owners); or

- (iv) any administrative or other receiver is appointed over all or a substantial part of the assets of such Relevant Person unless as part of a solvent reorganisation which has been approved by the Owners; or
  - (v) such Relevant Person makes any formal declaration of bankruptcy or any formal statement to the effect that they are insolvent or likely to become insolvent, or a winding up or administration order is made in relation to such Relevant Person, or the members, partners or directors of such Relevant Person pass a resolution to the effect that they should be wound up, placed in administration or cease to carry on business; or
  - (vi) a petition is presented or any other step is taken in any Relevant Jurisdiction for the dissolution, winding up or administration, or the appointment of a provisional liquidator, of such Relevant Person unless the petition is being contested in good faith and on substantial grounds and is dismissed or withdrawn within twenty-one (21) days of the presentation of the petition; or
  - (vii) such Relevant Person petitions a court, or presents any proposal for, any form of judicial or non-judicial suspension or deferral of payments, reorganisation of their debt (or certain of their debt) or arrangement with all or a substantial proportion (by number or value) of their creditors or of any class of them or any such suspension or deferral of payments, reorganisation or arrangement is effected by court order, contract or otherwise; or
  - (viii) any meeting of the partners, members or directors of such Relevant Person is summoned for the purpose of considering a resolution or proposal or resolving or proposing to authorise or take any action of a type described in paragraphs (iv) to (vii); or
  - (ix) in a country or a territory other than England and Wales, any event occurs or any procedure is commenced which, in the opinion of the Owners, is similar to any of the foregoing referred to in (ii) to (vii) above inclusive; or
  - (x) any expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affects any asset or assets of such Relevant Person; or
- (i) a Relevant Person suspends or ceases (or threatens to suspend or cease) carrying on all or a material part of its business; or
  - (j) any consent, approval, authorisation, license or permit necessary to enable any Relevant Person to operate or charter the Vessel to enable them to comply with any provision of any Leasing Document or to ensure that the obligations of such Relevant Person are legal, valid, binding or enforceable is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent, approval, authorisation, license or permit is not fulfilled; or
  - (k) any event or circumstance occurs which has or is likely to have a Material Adverse Effect; or
  - (l) the Vessel is subject to any form of execution, attachment, arrest, sequestration or distress which is not discharged within thirty (30) days (or such longer period as the Owners may agree); or

- (m) this Charter or any Leasing Document or any Security Interest created by a Leasing Document is cancelled, terminated, rescinded or suspended or otherwise ceases to remain in full force and effect for any reason or no longer constitutes valid, binding and enforceable obligations of any party to that document for any reason whatsoever; or
  - (n) any Relevant Person rescinds or purports to rescind or repudiates or purports to repudiate a Leasing Document; or
  - (o) it is or has become:
    - (i) unlawful or prohibited, whether as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
    - (ii) contrary to, or inconsistent with, any regulation,for any Relevant Person to maintain or give effect to any of its obligations under this Charter or any of the other Leasing Documents to which it is a party in the manner it is contemplated under such Leasing Document or any of the obligations of such Relevant Person under any Leasing Document to which it is a party are not or cease to be legal, valid, binding and enforceable; or
  - (p) the Security Interest constituted by any Security Document is in any way imperilled or in jeopardy; or
  - (q) the Vessel is not delivered latest by the Cancelling Date; or
  - (r) there is a merger, amalgamation, demerger, consolidation or corporation reconstruction of a Relevant Person (other than where, in the case of the Guarantor, the Guarantor remains the surviving legal entity following the occurrence of such event) or a change of control or legal or beneficial ownership of the Charterers from that set out in Clause 45.1(a) and (b) without the Owners' prior written consent; or
  - (s) there is a change in control of the Guarantor from that set out in Clause 45.1(c) without the Owners' prior written consent; or
  - (t) save with the prior written consent of the Owners, the Guarantor is de-listed from the New York Stock Exchange or the trading of its units on the New York Stock Exchange is suspended for any reason for a period of exceeding twenty (20) consecutive days; or
  - (u) any Termination Event (as defined in any Other Charter) occurs under such Other Charter.
- 44.2 At any time after the occurrence of a Termination Event which is continuing, the Owners may in their absolute discretion issue a written notice to the Charterers advising the Charterers of the Owners' intention to terminate this Charter on the date specified in such notice (the "**Termination Date**") and requiring the Charterers to pay to the Owners the Termination Purchase Price on the Termination Date, whereupon the Charterers shall be obliged to pay the Termination Purchase Price on such date; and it is hereby agreed that:
- (a) the Charterers shall be obliged to continue to pay Charterhire up to and including the date that the Termination Purchase Price is fully and irrevocably paid to the Owners (which shall be the Termination Date if the Termination Purchase Price is punctually paid in accordance with this Clause) or, as the case may be, (without prejudice to the Owners' right to continue to request

for the payment of the Termination Purchase Price) the date that the Vessel is re-delivered by the Charterers to the Owners under this Clause; and

- (b) if the Charterers fail to pay the Termination Purchase Price on the Termination Date, then sub-paragraphs (a)(i), (a)(ii) and (b) of Clauses 40.3 shall apply,

and further the Owners (or their agents and representatives) may, to the extent permitted by applicable law and without prejudice to any of the obligations of the Charterers hereunder, take possession of the Vessel and for this purpose, the Owners (or their agents and representatives) may enter any premises belonging to or in the occupation or under the control of the Charterers, the Guarantor or any of its Affiliates, to board the Vessel and cause the Vessel to be redelivered to the Owners by any lawful means.

- 44.3 For the avoidance of doubt, notwithstanding any action taken by the Owners following a Termination Event, the Charterers shall remain liable for the outstanding obligations on their part to be performed under this Charter.

- 44.4 Without limiting the generality of the foregoing or any other rights of the Owners, upon the occurrence of a Termination Event which is continuing, the Owners shall have the sole and exclusive right and power to (i) settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to or pertaining to the Vessel and this Charter, (ii) make proof of loss, appear in and prosecute any action arising from any policy or policies of insurance maintained pursuant to this Charter, and settle, adjust or compromise any claims for loss, damage or destruction under, or take any other action in respect of, any such policy or policies and (iii) change or appoint a new manager for the Vessel other than an Approved Manager and the appointment of that Approved Manager may be terminated immediately without any recourse to the Owners.

- 44.5 Each Termination Event shall be either a breach of condition by the Charterers where it involves a breach of this Charter by the Charterers or shall otherwise be an agreed terminating event, the occurrence and continuation of which gives rise to a right of the Owners to terminate the leasing of the Vessel under this Charter in accordance with this Clause and to exercise their rights under this Charter.

#### **Clause 45 – REPRESENTATIONS AND WARRANTIES**

- 45.1 The Charterers represent and warrant to the Owners as of the date of this Charter and on each day thereafter until the last day of the Charter Period, as follows:

- (a) the Charterers are directly and wholly legally owned by the Shareholder and the Shareholder is indirectly and wholly legally owned by the Guarantor;
- (b) the Charterers are wholly beneficially owned by the Guarantor;
- (c)
- (i) Mrs Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary) and/or Navios Maritime Partners L.P. and/or Navios Maritime Holdings Inc. and/or its Affiliates is the ultimate beneficial owner of, or has ultimate control of the voting rights attaching to, at least 5 per cent. of all the issued units in the Guarantor;



- (ii) Mrs Angeliki Frangou, either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary), is the ultimate beneficial owner of Olympos Maritime Ltd; and
- (iii) Olympos Maritime Ltd. is the only general partner of the Guarantor;
- (d) each of the Relevant Persons is duly incorporated or formed, validly existing and (where relevant) good standing under the laws of its jurisdiction of its incorporation or formation;
- (e) each of the Relevant Persons has the corporate or limited partnership capacity, and has taken all corporate or limited partnership actions, and each of the Relevant Persons has obtained all consents, approvals, authorisations, licenses or permits necessary, in each case for it:
  - (i) to execute each of the Leasing Documents to which it is a party; and
  - (ii) to comply with and perform its obligations under each of the Leasing Documents to which it is a party;
- (f) all consents, approvals, authorisations, licenses or permits referred to in Clause 45.1(e) required or desirable to (i) enable each Relevant Person lawfully to enter into, exercise their rights and comply with its obligations in the Leasing Documents to which such Relevant Person is a party to and (ii) to make the Leasing Documents to which such Relevant Person is a party admissible in evidence in such Relevant Person's Relevant Jurisdictions, have been obtained or effected and are in full force and effect;
- (g) all the consents, approvals, authorisations, licenses or permits referred to in Clause 45.1(e) remain in force and nothing has occurred which makes any of them liable to revocation;
- (h) each of the Leasing Documents to which a Relevant Person is a party constitutes such Relevant Person's legal, valid and binding obligations enforceable against such party in accordance with its respective terms and any relevant insolvency laws affecting creditors' rights generally;
- (i) save for the Existing Security (which shall be discharged prior to Delivery), no third party has any Security Interest, other than the Permitted Security Interests, or any other interest, right or claim over, in or in relation to the Vessel, any assets owned by the Charterers or any moneys payable to the Charterers, this Charter or any moneys payable hereunder and/or any of the other Leasing Documents;
- (j) all payments which a Relevant Person is liable to make under any Leasing Document to which such Relevant Person is a party may be made by such party without deduction or withholding for or on account of any tax payable under the laws of its jurisdiction of incorporation or formation;
- (k) no legal or administrative action involving a Relevant Person (including without limitation, in relation to any Environmental Claim) has been commenced or taken, which if adversely determined, would have or which is likely to have a Material Adverse Effect;
- (l) each of the Relevant Persons has paid all taxes applicable to, or imposed on or in relation to it, its business or if applicable, the Vessel, except for those being contested in good faith and for which adequate reserves have been made;

- (m) the choice of governing law as stated in each Leasing Document to which a Relevant Person is a party and the agreement by such party to refer disputes to the relevant courts or tribunals as stated in such Leasing Document are valid and binding against such Relevant Person;
- (n) no Relevant Person 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 judgment, execution or other enforcement);
- (o) the obligations of each Relevant Person under each Leasing Document to which it is a party, are the direct, general and unconditional obligations of such Relevant Person and, rank at least pari passu with all other present and future unsecured and unsubordinated creditors of such Relevant Person save for any obligation which is mandatorily preferred by law and not by virtue of any contract;
- (p) each Leasing Document creates (or, once entered into, will create) the Security Interest which it is expressed to create with the ranking and priority it is expressed to have;
- (q) no Relevant Person is a US Tax Obligor, and no Relevant Person has established a place of business in the United Kingdom or the United States of America;
- (r) no Relevant Person nor any of their respective directors, officers, employees or agents is a Restricted Person and to the best of the Charterers' knowledge and belief (having made all due and careful enquiry), none of the Approved Sub-charterer, any Non-subsidiary Manager or any of their respective directors, officers, employees or agents is a Restricted Person;
- (s) each Relevant Person, a Non-subsidiary Manager and their respective directors, officers, employees and agents, and to the best of the Charterers' knowledge and belief (having made all due and careful enquiry), the Approved Sub-charterer and its directors, officers, employees and agents, is in compliance with all Sanctions laws;
- (t) each Relevant Person, a Non-subsidiary Manager and their respective directors, officers, employees and agents, and to the best of the Charterers' knowledge and belief (having made all due and careful enquiry), the Approved Sub-charterer and its directors, officers, employees and agents have not (i) been or are currently being investigated on compliance with Sanctions, (ii) received notice or are aware of any claim, action, suit or proceeding against any of them with respect to Sanctions and (iii) taken any action to evade the application of Sanctions;
- (u) the Vessel is not employed, operated or managed in any manner which (i) is contrary to any Sanctions and in particular, the Vessel is not used by or to benefit any party which is a target of Sanctions or trade to any area or country where trading the Vessel to such area or country would constitute a breach of any Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom or the People's Republic of China; or (ii) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;
- (v) each Relevant Person and to the best of the Charterers' knowledge and belief (having made all due and careful enquiry) the Approved Sub-charterer, is not in breach of any laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code, all Environmental Laws, the laws of the Vessel's registry and in particular, all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws and each of the Relevant Persons has instituted and maintained systems, controls, policies and procedures designed to:

- (i) prevent and detect incidences of bribery and corruption, money laundering and terrorism financing; and
  - (ii) promote and achieve compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
- (w) no Relevant Person nor any of their assets, in each case, has any right to immunity from set off, legal proceedings, attachment prior to judgment or other attachment or execution of judgment on the grounds of sovereign immunity or otherwise;
- (x) no Relevant Persons or Non-subsiary Manager is insolvent or in liquidation or administration or subject to any other formal or informal insolvency procedure, and no receiver, administrative receiver, administrator, liquidator, trustee or analogous officer has been appointed in respect of the Relevant Persons, a Non-Subsidiary Manager or all or material part of their assets;
- (y) that in respect of any Approved Sub-charter:
- (i) the copy of such Approved Sub-charter provided to the Owners is a true and complete copy; and
  - (ii) in the case of an Approved Sub-charter being a bareboat charter, the relevant Approved Sub-charterer is fully aware of the content of and the transactions contemplated under this Charter and consents to the same;
- (z) no Termination Event or Potential Termination Event has occurred or might reasonably be expected to result from the entry into and performance of this Charter or any other Leasing Document;
- (aa) as at the date of this Charter, the Charterers have not entered into any other investments, any sale or leaseback agreements, any off-balance sheet transaction or incur any other liability or obligation (including without limitation, any Financial Indebtedness of any obligations under a guarantee) except:
- (i) liabilities and obligations under the Leasing Documents to which they are or, as the case may be, will be a party;
  - (ii) liabilities or obligations reasonably incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Vessel; or
  - (iii) liabilities and obligations under the Existing Bareboat Charter or any transactions or arrangements contemplated thereunder,
- and as from the Delivery Date, all Financial Indebtedness under the Existing Bareboat Charter has been fully repaid and satisfied by the Charterers and that the Charterers, the Shareholder and the relevant Approved Manager have no liabilities or obligations to the Existing Owners or any other party under the Existing Bareboat Charter or any transactions or arrangements contemplated thereunder;
- (bb) apart from the listing of the units of the Guarantor on the New York Stock Exchange, none of the shares of a Relevant Person are listed on any stock exchange for listed shares/units;

- (cc) any factual information provided by the Charterers (or on their behalf) to the Owners was true and accurate in all material respects as at the date it was provided or as the date at which such information was stated; and
- (dd) the entry by each Relevant Person into any Leasing Document does not in any way cause any breach, and is in all respects permitted, under the terms of any document which it is entered into.

#### **Clause 46 – CHARTERERS' UNDERTAKINGS**

46.1 The Charterers undertake that they shall comply or procure compliance with the following undertakings commencing from the date of this Charter and up to the last day of the Charter Period:

- (a) there shall be sent to the Owners:
  - (i) as soon as possible, but in no event later than ninety (90) days after the end of each financial half-year, the consolidated unaudited semi-annual accounts of the Guarantor certified as to their correctness by the chief financial officer or a duly authorised officer of the Guarantor; and
  - (ii) as soon as possible, but in no event later than one hundred and eighty (180) days after the end of each financial year of the Guarantor, the audited consolidated annual financial reports of the Guarantor;
- (b) they will provide to the Owners, promptly at the Owners' request, copies of all notices and minutes relating to any of their shareholders' meetings and copies of their shareholders' written resolutions which are despatched to the Charterers' or the Guarantor's respective shareholders or partners or any class of them save that publicly disclosed notices, minutes and written resolutions not concerning the Vessel or the Leasing Documents need not be provided to the Owners under this Clause;
- (c) they will provide to the Owners, promptly at the Owners' requests, copies of all notices, notices of meetings and written resolutions which are despatched to the Charterers' or Guarantor's other creditors (if any);
- (d) they will provide or will procure that each other Relevant Person provides the Owners with details of any legal, arbitral or administrative action involving such Relevant Person (provided that in the case where such Relevant Person is the Guarantor, such claim under such legal, arbitral or administrative action either (1) exceeds the sum of US\$10,000,000 (or its equivalent in any other currency) or (2) which if adversely determined against the Guarantor, would or is likely to have a Material Adverse Effect) or the Vessel as soon as such action is instituted or it becomes apparent to such Relevant Person that it is likely to be instituted and is likely to have a material adverse effect on the ability of a Relevant Person to perform their obligations under each Leasing Document to which it is a party;
- (e) they will, and will procure that each other Relevant Person obtains and promptly renews or procure the obtainment or renewal of and provide copies of, from time to time, any necessary consents, approvals, authorisations, licenses or permits of any regulatory body or authority for the transactions contemplated under each Leasing Document to which it is a party (including without limitation to sell, charter and operate the Vessel);
- (f) they will not, and will procure that:

- (i) each other Relevant Person will not, create, assume or permit to exist any Security Interest of any kind upon any Leasing Document to which such Relevant Person is a party, and if applicable, the Vessel, in each case other than:
  - (A) the Permitted Security Interests; and
  - (B) prior to Delivery, the Existing Security;
- (ii) the Existing Bareboat Charter will be terminated, all Existing Security will be fully, unconditionally and irrevocably discharged and released and none of the Charterers, the Shareholder shall have any obligations or liabilities to the Existing Owners or any other party under the Existing Bareboat Charter or any transactions or arrangements contemplated thereunder, in each case immediately prior to the Delivery (and in any event, no later than by the Delivery Date),

and they take all such actions and provide all such documents or evidence as may be required by the Owners in connection with the same;

- (g) they will at their own cost, and will procure that each other Relevant Person will:
  - (i) do all that such Relevant Person reasonably can to ensure that any Leasing Document to which such Relevant Person is a party validly creates the obligations and the Security Interests which such Relevant Person purports to create; and
  - (ii) without limiting the generality of paragraph (i), promptly register, file, record or enrol any Leasing Document to which such Relevant Person is a party with any court or authority in all Relevant Jurisdictions, pay any stamp duty, registration or similar tax or fee in all Relevant Jurisdictions in respect of any Leasing Document to which such Relevant Person is a party, give any notice or take any other step which, is or has become necessary or desirable for any such Leasing Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which such Relevant Person creates;
- (h) they will, and will procure that each other Relevant Person, notify the Owners immediately of the occurrence of:
  - (i) any damage and/or alteration caused to the Vessel by any reason whatsoever which results, or may be expected to result, in repairs on the Vessel which exceed US\$1,000,000 (or its equivalent in any other currency);
  - (ii) any material safety incidents taking place on board the Vessel;
  - (iii) any casualty or occurrence as a result of which the Vessel has become or is, by the passing of time or otherwise, likely to become, a Major Casualty;
  - (iv) any Environmental Claim which is made against the Charterers, an Approved Sub-charterer or an Approved Manager in connection with the Vessel or any Environmental Incident;
  - (v) any arrest or detention of the Vessel, any exercise or purported exercise of any lien on that Vessel or its Earnings or any requisition of that Vessel for hire; and
  - (vi) any Potential Termination Event or Termination Event,

and will keep the Owners fully up-to-date with all developments and the Charterers will, if so requested by the Owners, provide any such certificate signed by an officer of the Charterers, confirming that there exists no Potential Termination Event or Termination Event;

- (i) they will, and will procure that each other Relevant Person and Non-subsidiary Manager will, as soon as practicable after receiving the request, provide the Owners with any additional financial or other information relating:
  - (i) to themselves and/or the Vessel (including, but not limited to the condition and location of the Vessel); or
  - (ii) to any other matter relevant to, or to any provision of any Leasing Document to which it is a party,which may be reasonably requested by the Owners (or their financiers (if any)) at any time;
- (j) without prejudice to Clause 46.1(l)(i)(A), comply, or procure compliance, and will procure that each other Relevant Person will comply or procure compliance, with all laws or regulations relating to the Vessel and its ownership, employment, operation, management and registration, including the ISM Code, the ISPS Code, all Environmental Laws and the laws of the Vessel's registry;
- (k) the Vessel shall be classed with the Classification Society and shall be free of all overdue recommendations and conditions;
- (l) they will ensure and procure that:
  - (i) the Market Value of the Vessel shall be ascertained from time to time in the following circumstances:
    - (A) upon the occurrence of a Termination Event which is continuing, at any time at the request of the Owners; and
    - (B) in the absence of a Termination Event which is continuing, at least once every calendar year, with such report to be dated no more than thirty (30) calendar days prior to every anniversary of the Delivery Date occurring within the Charter Period or on such other date as the Owners may request; and
  - (ii) the Charterers shall pay the amount of the fees and expenses incurred by the Owners in connection with any matter arising out of this paragraph (l);
- (m) they shall comply, shall procure that each other Relevant Person and a Non-subsidiary Manager complies with all laws and regulations in respect of Sanctions, and in particular, they shall effect and maintain a sanctions compliance policy to ensure compliance with all such laws and regulations implemented from time to time;
- (n) the Vessel shall not be employed, operated or managed in any manner which (i) is contrary to any Sanctions and in particular, the Vessel shall not be used by or to benefit any party which is a target of Sanctions and/or is a Restricted Person or trade to any area or country or territory where trading the Vessel to such area or country or territory would constitute or reasonably be expected to constitute a breach of any Sanctions or published boycotts imposed by any of the United Nations, the European Union, the United States of America, the United Kingdom or the People's Republic of China, (ii) would result or reasonably be expected to result in any

Relevant Person, a Non-subsiary Manager or the Owners becoming a Restricted Person or (iii) would trigger the operation of any sanctions limitation or exclusion clause in any insurance documentation;

- (o) they shall, and shall procure that each other Relevant Person and a Non-subsiary Manager shall, and shall use all reasonable endeavours to procure that the Approved Sub-charterer shall, promptly notify the Owners of any non-compliance, by any Relevant Person, the Approved Sub-charterer, any Non-subsiary Manager or their respective officers, directors, employees, consultants, agents or intermediaries, with all laws and regulations relating to Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and/or Business Ethics Laws (including but not limited to notifying the Owners in writing immediately upon being aware that any Relevant Person, the Approved Sub-charterer, any Non-Subsiary Manager or their respective shareholders, directors, officers or employees is a Restricted Person or has otherwise become a target of Sanctions) as well as provide all information (once available) in relation to its business and operations which may be relevant for the purposes of ascertaining whether any of the aforesaid parties are in compliance with such laws;
- (p) they shall, and shall procure that each other Relevant Person shall, and shall use all reasonable endeavours to procure that the Approved Sub-charterer shall, (in each case above, including procuring or as the case may be, using all reasonable endeavours to procure the respective officers, directors, employees, consultants, agents and/or intermediaries of the relevant entity to do the same) shall:
  - (i) comply with all Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws;
  - (ii) maintain systems, controls, policies and procedures designed to promote and achieve ongoing compliance with Anti-Money Laundering Laws, Anti-Terrorism Financing Laws and Business Ethics Laws; and
  - (iii) in respect of the Charterers, not use, or permit or authorize any person to directly or indirectly use, the Purchase Price for any purpose that would breach any Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (q) in respect of the Charterers, not lend, invest, contribute or otherwise make available the Purchase Price to or for any other person in a manner which would result in a violation of Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws;
- (r) they shall not appoint or permit to be appointed any manager of the Vessel unless it is an Approved Manager appointed on terms acceptable to the Owners and their financiers (if any) and such Approved Manager has (prior to accepting its appointment) entered into a Manager's Undertaking;
- (s) they shall ensure that all Earnings and any other amounts received by them in connection with the Vessel are paid into the Earnings Account;
- (t) they shall maintain a credit balance of at least \$500,000 in the Earnings Account;
- (u) upon request, they will provide or they will procure to be provided to the Owners the report(s) of the survey(s) conducted pursuant to Clause 7 (Surveys on Delivery and Redelivery) of this Charter in form and substance satisfactory to the Owners;

- (v) save with the prior written consent of the Owners, they shall not permit the sub-chartering of the Vessel on a bareboat charter basis;
- (w) as a condition precedent to the execution of any Approved Sub-charter entered into by the Charterers after the date of this Charter, the Charterers shall assign all their rights and interests under such Approved Sub-charter in favour of the Owners (and their financiers (if any)) and shall use all commercially reasonable endeavours to procure such Approved Sub-charterer gives a written acknowledgment of such assignment, in each case, in form and substance acceptable to the Owners and provide such documents as the Owners may reasonably require regarding the due execution of such Approved Sub-charter (and in the case where the Approved Sub-charter is a bareboat charter, such Approved Sub-charterer shall additionally assign all their rights and interests under the Insurances and Requisition Compensation in favour of the Owners (and their financiers (if any)) in form and substance acceptable to the Owners (and their financiers (if any)));
- (x) in respect of an Approved Sub-charter which contains an option to extend the charter period, they shall notify the Owners as soon as they become aware that the relevant Approved Sub-charterer does not intend to, or has not by the date falling 20 days prior to the date on which such Approved Sub-charter will expire, exercise the relevant option to extend the same;
- (y) they shall not make or pay any dividend or other distribution (in cash or in kind) in respect of its share capital following the occurrence of a Potential Termination Event or Termination Event or which would result in a Potential Termination Event or Termination Event;
- (z) the Vessel shall be registered under the Flag State at all times;
- (aa) they shall not enter into any other investments, any sale or leaseback agreements, any off-balance sheet transaction or incur any other liability or obligation (including without limitation, any Financial Indebtedness of any obligations under a guarantee) except:
  - (i) liabilities and obligations under the Leasing Documents to which it is or, as the case may be, will be a party;  
or
  - (ii) liabilities or obligations reasonably incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Vessel; and
  - (iii) any transaction entered into with their Affiliates shall be on arm's length basis and in good faith.

#### **Clause 47 – EARLY PURCHASE OPTION**

- 47.1 The Charterers (or the Guarantor as the Charterers' nominee) shall have the option, at any time after the Delivery Date to purchase the Vessel on any Payment Date (the "**Early Purchase Option Date**") specified in a notice (the "**Early Purchase Option Notice**") at the applicable Early Purchase Option Price, subject always to giving the Owners no less than sixty (60) days' prior written notice.
- 47.2 The Early Purchase Option shall only be exercisable by the Charterers if there is no Total Loss, Termination Event or Potential Termination Event has occurred and is continuing.
- 47.3 An Early Purchase Option Notice shall be signed by a duly authorised officer or a director or an attorney of the Charterers and, once delivered to the Owners, is irrevocable and the Charterers



shall be bound to pay to the Owners the Early Purchase Option Price on the Early Purchase Option Date.

47.4 Only one Early Purchase Option Notice may be served throughout the duration of the Charter Period.

47.5 Upon the Owners' receipt in full of the Early Purchase Option Price, the Owners shall transfer the legal and beneficial ownership of the Vessel in accordance with the terms and conditions set out at Clauses 50.1(a) and 50.1(b) to the Charterers or the Guarantor as their nominee.

#### **Clause 48 – EXPIRY PURCHASE OBLIGATION**

48.1 The Charterers shall be obliged to purchase the Vessel on the last day of the natural expiration of the Charter Period (the "**Expiry Purchase Obligation Date**") at the Expiry Purchase Price.

#### **Clause 49 – INTENTIONALLY DELETED**

#### **Clause 50 – SALE OF THE VESSEL**

50.1 On the Early Purchase Option Date or the Expiry Purchase Obligation Date (as the case may be), all legal and beneficial interest and title in the Vessel shall be transferred to the Charterers by the Owners upon receipt by the Owners of the Early Purchase Option Price or the Expiry Purchase Price (as the case may be) on an "as is where is" basis and on the following terms and conditions:

(a) the Charterers expressly agree and acknowledge that no condition, warranty or representation of any kind is or has been given by or on behalf of the Owners in respect of the Vessel or any part thereof, and accordingly the Charterers confirm that they have not, in entering into this Charter, relied on any condition, warranty or representation by the Owners or any person on the Owners' behalf, express or implied, whether arising by law or otherwise in relation to the Vessel or any part thereof, including, without limitation, warranties or representations as to the description, suitability, quality, merchantability, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of any kind or nature of the Vessel or any part thereof, and the benefit of any such condition, warranty or representation by the Owners is hereby irrevocably and unconditionally waived by the Charterers to the extent permissible under applicable law, the Charterers hereby also waive any rights which they may have in tort in respect of any of the matters referred to under this Clause and irrevocably agree that:

- (i) the Owners shall have no greater liability in tort in respect of any such matter than they would have in contract after taking account of all of the foregoing exclusions;
- (ii) no third party making any representation or warranty relating to the Vessel or any part thereof is the agent of the Owners nor has any such third party authority to bind the Owners thereby; and
- (iii) notwithstanding anything contained above, nothing contained herein is intended to obviate, remove or waive any rights or warranties or other claims relating thereto which the Charterers (or their nominee) or the Owners may have against the manufacturer or supplier of the Vessel or any third party;

- (b) the Vessel shall be free from any registered mortgages or any other liens, encumbrances or debts created or permitted to exist by the Owners (save for those mortgages, liens, encumbrances or debts created under the Leasing Documents);
- (c) the Early Purchase Option Price or the Expiry Purchase Price (as the case may be) shall be paid by (or on behalf of) the Charterers to the Owners on the Early Purchase Option Date (in the case of the Early Purchase Option Price) or the Expiry Purchase Obligation Date (in the case of the Expiry Purchase Price), together with unpaid amounts of Charterhire and other moneys owing by or accrued or due from the Charterers under this Charter on or prior to the Early Purchase Option Date or the Expiry Purchase Obligation Date (as the case may be) which remain unpaid; and
- (d) upon the Early Purchase Option Price or the Expiry Purchase Price (as the case may be) and all other moneys payable under this Charter being fully and irrevocably paid to the Owners on, and in accordance with, the terms set forth in this Charter (except in the case of Total Loss) the Owners agree (at the cost of the Charterers) to enter into:
  - (i) a bill of sale; and
  - (ii) a protocol of delivery and acceptance,

and the Vessel shall accordingly be deemed delivered to the Charterers on the date and time set out in such protocol of delivery and acceptance (and to the extent required for such purposes the Vessel shall be deemed first to have been redelivered to the Owners).

#### **Clause 51 – INDEMNITIES**

- 51.1 The Charterers shall pay such amounts to the Owners, on the Owners' demand, in respect of all documented claims, expenses, liabilities, losses, fees (including, but not limited to, any legal fees or vessel registration and tonnage fees) suffered or incurred by or imposed on the Owners arising directly or indirectly from this Charter and any Leasing Document or in connection with delivery, possession, performance, control, registration, payment of tonnage tax or other registration fees or fees associated with maintaining the relevant registry of the Vessel, repair, survey, insurance, maintenance, manufacture, purchase, ownership and operation of the Vessel by the Owners and the costs related to the prevention or release of liens or detention of or requisition, use, operation or redelivery, repossession, sale or disposal of the Vessel or any part of it, enforcement of the Owners' rights under any Leasing Document or in connection with, following or resulting from the occurrence of a Termination Event or a Potential Termination Event and whether or not the Vessel is in the possession or the control of the Charterers or otherwise (including without limitation by reason thereof in re-taking possession or otherwise in re-acquiring the Vessel pursuant to Clause 37.3), and whether prior to, during or after termination of the leasing of this Charter and whether or not the Vessel is in the possession or the control of the Charterers or otherwise.
- 51.2 Without prejudice to its generality, Clause 51.1 covers any documented claims, expenses, liabilities and losses which arise, or are asserted, under or in connection with any law relating to safety at sea, the ISM Code, the ISPS Code, the MARPOL Protocol, any Environmental Law, any Sanctions, Anti-Money Laundering Laws, Anti-Terrorism Financing Laws or Business Ethics Laws.
- 51.3 Without prejudice to any right to damages or other claim which the Owners may have at any time against the Charterers, it is hereby agreed that the indemnities of the Owners contained in this Charter shall continue in full force and effect until the expiry of the Charter Period.

- 51.4 Without prejudice to the above Clause 51.1, if any sum (a “**Sum**”) due from a Relevant Person under the Leasing Documents, 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:
- (a) making or filing a claim or proof against that Relevant Person; or
  - (b) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- the Charterers shall, as an independent obligation, on demand, indemnify the Owners against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between:
- (i) the rate of exchange used to convert that Sum from the First Currency into the Second Currency; and
  - (ii) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- 51.5 The obligations of the Charterers under Clause 51 (*Indemnities*) and in respect of any Security Interest created pursuant to the Security Documents will not be affected or discharged by an act, omission, matter or thing which would reduce, release or prejudice any of its obligations under Clause 51 (*Indemnities*) or in respect of any Security Interest created pursuant to the Security Documents (without limitation and whether or not known to it or any Relevant Person) including:
- (a) any time, waiver or consent granted to, or composition with, any Relevant Person or other person;
  - (b) the release of any other Relevant Person or any other person under the terms of any composition or arrangement with any creditor of the Guarantor or any of its affiliates;
  - (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 Relevant Person 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 Relevant Person or any other person;
  - (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Leasing Document or any other document or security;
  - (f) any unenforceability, illegality or invalidity of any obligation of any person under any Security Document or any other document or security; or
  - (g) any insolvency or similar proceedings.
- 51.6 Notwithstanding anything to the contrary under the Leasing Documents (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages

or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or such Leasing Document or termination or cancellation of this Charter or such Leasing Document pursuant to the terms hereof or thereof or termination of this Charter or such Leasing Document by the Owners.

51.7 In consideration of the Charterers requesting the Other Owners to charter the Other Vessels to the Other Charterers under the Other Charters, the Charterers hereby irrevocably and unconditionally undertake to pay immediately on demand (as primary obligor) from the Other Owners (or of them, as the case may be) such amounts in respect of all claims, expenses, liabilities, losses, fees of every kind and nature and all other moneys due, owing and/or payable to the Other Owners under or in connection with the Other Charters, and to indemnify and hold the Other Owners harmless against all such moneys, costs, fees and expenses incurred or suffered or outstanding under the Other Charters.

51.8 All rights which the Charterers have at any time (whether in respect of this Charter or any other transaction) against the Other Charterers or the Guarantor or any of them shall be fully subordinated to the rights of the Owners under the Leasing Documents and until the end of this Charter and unless the Owners otherwise direct, the Charterers shall not exercise any rights which it may have (whether in respect of this Charter or any other transaction) by reason of performance by it of its obligations under the Leasing Documents or by reason of any amount becoming payable, or liability arising, under this Clause:

- (a) to be indemnified by the Other Charterers or the Guarantor or any of them;
- (b) to claim any contribution from any third party providing security for, or any other guarantor of, the Other Charterers' or the Guarantor's obligations under the Leasing Documents;
- (c) to take any benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Other Charterers or the Guarantor or any of them under the Leasing Documents or of any other guarantee or security taken pursuant to, or in connection with, the Leasing Documents by any of the aforesaid parties;
- (d) to bring legal or other proceedings for an order requiring any of the Other Charterers or the Guarantor or any of them to make any payment, or perform any obligation, in respect of any Leasing Document;
- (e) to exercise any right of set-off against any of the Other Charterers or the Guarantor or any of them; and/or
- (f) to claim or prove as a creditor of any of the Other Charterers or the Guarantor or any of them,

and if the Charterers receive 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 Owners or the Other Owners by the Other Charterers or the Guarantor or any of them under or in connection with the Leasing Documents to be repaid in full on trust for the Owners or the Other Owners and shall promptly pay or transfer the same to the Owners or the Other Owners as may be directed by the Owners.

51.9 The Charterers hereby irrevocably agree to indemnify and hold harmless the Owners against any claim, expense, liability or loss reasonably incurred by the Owners (and which is notified

to the Charterers) in liquidating or employing deposits from their financiers or third parties to fund the acquisition of the Vessel pursuant to the MOA, on or prior to the Delivery Date.

- 51.10 Notwithstanding anything to the contrary herein (but subject and without prejudice to Clause 33 (*Cancellation*)) and without prejudice to any right to damages or other claim which the Charterers may have at any time against the Owners under this Charter, the indemnities provided by the Charterers in favour of the Owners shall continue in full force and effect notwithstanding any breach of the terms of this Charter or termination of this Charter pursuant to the terms hereof or termination of this Charter by the Owners.

#### **Clause 52 – NO SET-OFF OR TAX DEDUCTION**

52.1 All payments of Charterhire, the Upfront Charterhire, the Early Purchase Option Price or the Expiry Purchase Price and any other payment made by the Charterers under a Leasing Document shall be paid punctually:

- (a) without any form of set-off (other than any set-off referred to in Clause 36.3, Clause 36.5(b) or Clause 41.2), cross-claim or condition and in the case of Charterhire or the Upfront Charterhire, without previous demand unless otherwise agreed with the Owners; and
- (b) free and clear of any tax deduction or withholding unless required by law.

52.2 Without prejudice to Clause 52.1, if the Charterers are required by law to make a tax deduction from any payment:

- (a) the Owners shall notify the Charterers as soon as they become aware of the requirement; and
- (b) the amount due in respect of the payment shall be increased by the amount necessary to ensure that the Owners receive and retain (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which they would otherwise have received.

52.3 In this Clause “**tax deduction**” means any deduction or withholding for or on account of any present or future tax, other than a FATCA Deduction.

#### **Clause 53 – INCREASED COSTS**

53.1 This Clause 53 (*Increased Costs*) applies if the Owners notify the Charterers that they consider that as a result of:

- (a) the introduction or alteration after the date of this Charter of a law or an alteration after the date of this Charter in the manner in which a law is interpreted or applied (disregarding any effect which relates to the application to payments under this Charter of a tax on the Owners’ overall net income); or
  - (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Owners allocates capital resources to their obligations under this Charter) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Charter,
- the Owners (or a parent company of them) has incurred or will incur an increased cost.

53.2 In this Clause 53 (*Increased Costs*), “**increased cost**” means, in relation to the Owners:

- (a) an additional or increased cost incurred as a result of, or in connection with, the Owners having entered into, or being a party to, this Charter, of funding the acquisition of the Vessel pursuant to the MOA or performing their obligations under this Charter;
  - (b) a reduction in the amount of any payment to the Owners under this Charter or in the effective return which such a payment represents to the Owners on their capital;
  - (c) an additional or increased cost of funding the acquisition of the Vessel pursuant to the MOA; or
  - (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Owners under this Charter.
- 53.3 For the purposes of Clause 53.2 the Owners may in good faith allocate or spread costs and/or losses among their assets and liabilities (or any class of their assets and liabilities) on such basis as they consider appropriate.
- 53.4 Subject to the terms of Clause 53.1, the Charterers shall pay to the Owners, on the Owners' demand, the amounts which the Owners from time to time notify the Charterers to be necessary to compensate the Owners for the increased cost.

#### **Clause 54 – CONFIDENTIALITY**

- 54.1 The Parties agree to keep the terms and conditions of this Charter and any other Leasing Documents (the "**Confidential Information**") strictly confidential, provided that a Party may disclose Confidential Information in the following cases:
- (a) it is already known to the public or becomes available to the public other than through the act or omission of the disclosing Party;
  - (b) it is required to be disclosed under the applicable laws of any Relevant Jurisdiction, by a governmental order, decree, regulation or rule, by an order of a court, tribunal or listing exchange of the Relevant Jurisdiction (including but not limited to an order by the US Securities and Exchange Commission or the New York Stock Exchange), provided that the disclosing Party shall give written notice of such required disclosure to the other Party prior to the disclosure;
  - (c) in filings with a court or arbitral body in proceedings in which the Confidential Information is relevant and in discovery arising out of such proceedings;
  - (d) to (or through) whom a Party assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Leasing Document (as permitted by the terms thereof), provided that such person receiving Confidential Information shall undertake that it would not disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this Clause or such other circumstances as may be permitted by all Parties;
  - (e) to any of the following persons on a need to know basis:
    - (i) a shareholder or an Affiliate of either Party (including the employees, officers and directors thereof);
    - (ii) professional advisers retained by a disclosing party; or

(iii) persons advising on, providing or considering the provision of financing to the disclosing party or an Affiliate, provided that the disclosing party shall exercise due diligence to ensure that no such person shall disclose Confidential Information to any other party save for circumstances arising which are similar to those described under this Clause or such other circumstances as may be permitted by all Parties; or

(f) with the prior written consent of all Parties.

#### **Clause 55 – PARTIAL INVALIDITY**

If, at any time, any provision of a Leasing 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.

#### **Clause 56 – SETTLEMENT OR DISCHARGE CONDITIONAL**

56.1 Any settlement or discharge under any Leasing Document between the Owners and any Relevant Person or any other person shall be conditional upon no security or payment to the Owners by any Relevant Person or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

56.2 If the Owners consider that an amount paid or discharged by, or on behalf of, a Relevant Person in purported payment or discharge of an obligation of that Relevant Person to the Owners under the Leasing Documents is capable of being avoided or otherwise set aside on the liquidation or administration of that Relevant Person or otherwise, then that amount shall not be considered to have been unconditionally and irrevocably paid or discharged for the purposes of the Leasing Documents.

#### **Clause 57 – CHANGES TO THE PARTIES**

##### **57.1 Assignment or transfer by the Charterers**

The Charterers shall not assign their rights or transfer by novation any of their rights and obligations under the Leasing Documents except with the prior consent in writing of the Owners (such consent not to be unreasonably withheld if such assignment or transfer is to an Affiliate of the Charterers).

##### **57.2 Transfer by the Owners**

(a) The Owners may transfer by novation (or otherwise) any of their rights and obligations under the Leasing Documents at any time to an Affiliate of the Owners, another lessor or financial institution or trust, fund, leasing company or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets or to any other party at any time.

(b) During the Charter Period, any change in the registered ownership of the Vessel (other than pursuant to paragraph (a)) above shall not require the Charterers' prior approval and notwithstanding such change, this Charter would continue on identical terms (save for logical, consequential or mutually agreed amendments), and the Charterers hereby agree that they shall be liable to the aforesaid new owner of the Vessel for its performance of all obligations

pursuant to this Charter after change of the registered ownership of the Vessel from the Owners to such new owner and shall procure that the Guarantor shall execute a guarantee in favour of the new owners for inter alia, the obligations of the Charterers under this Charter, in substantially in the same form as the Guarantee (or such other form as the Guarantor and the new owners may agree).

- 57.3 The Charterers agree and undertake to enter into any such usual documents as the Owners shall require to complete or perfect the transfer of the Vessel (with the benefit and burden of this Charter) pursuant to Clause 57.2, at no cost to the Charterers.

#### **Clause 58 – MISCELLANEOUS**

- 58.1 The Charterers waive any rights of sovereign immunity which they or any of their assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Charter.
- 58.2 No term of this Charter is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not party to this Charter, save that the Other Owners may rely on the rights conferred on them under Clause 51.7.
- 58.3 This Charter and each Leasing 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 this Charter or that Leasing Document, as the case may be.
- 58.4 These additional clauses shall be read together with the BARECON 2001, and shall constitute a single instrument. In the case of any conflict between the provisions of these additional terms and the BARECON 2001, these additional terms shall prevail.

#### **Clause 59 – FATCA**

##### **59.1 Defined terms**

For the purposes of this Clause 59 (*FACTA*), the following terms shall have the following meanings:

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**FATCA**” means:

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

“**FATCA Deduction**” means a deduction or withholding from a payment under this Charter or the Leasing Documents required by or under FATCA.

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



“**FATCA FFI**” means a foreign financial institution as defined in section 1471(d)(4) of the Code which, if a Relevant Party is not a FATCA Exempt Party, could be required to make a FATCA Deduction.

“**FATCA Non-Exempt Party**” means any Relevant Party who is not a FATCA Exempt Party.

“**IRS**” means the United States Internal Revenue Service or any successor taxing authority or agency of the United States government.

“**Relevant Party**” means any party to a Leasing Document.

## 59.2 **FATCA Information**

- (a) Subject to paragraph (c) below, each Relevant Party shall, on the date of this Charter, and thereafter within ten (10) Business Days of a reasonable request by another Relevant Party:
- (i) confirm to that other party whether it is a FATCA Exempt Party or is not a FATCA Exempt Party; and
  - (ii) supply to the requesting party (with a copy to all other Relevant Parties) such other form or forms (including IRS Form W-8 or Form W-9 or any successor or substitute form, as applicable) and any other documentation and other information relating to its status under FATCA (including its applicable “pass thru percentage” or other information required under FATCA or other official guidance including intergovernmental agreements) as the requesting party reasonably requests for the purpose of the requesting party’s compliance with FATCA.
- (b) If a Relevant Party confirms to any other Relevant Party that it is a FATCA Exempt Party or provides an IRS Form W-8 or W-9 showing 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 so notify all other Relevant Parties reasonably promptly.
- (c) Nothing in this clause shall oblige any Relevant Party to do anything which would or, in its reasonable opinion, might constitute a breach of any law or regulation, any policy of that party, any fiduciary duty or any duty of confidentiality, or to disclose any confidential information (including, without limitation, its tax returns and calculations); provided, however, that nothing in this paragraph shall excuse any Relevant Party from providing a true, complete and correct IRS Form W-8 or W-9 (or any successor or substitute form where applicable). Any information provided on such IRS Form W-8 or W-9 (or any successor or substitute forms) shall not be treated as confidential information of such party for purposes of this paragraph.
- (d) If a Relevant Party fails to confirm its status or to supply forms, documentation or other information requested in accordance with the provisions of this Charter or the provided information is insufficient under FATCA, then:
- (i) if that party failed to confirm whether it is (and/or remains) a FATCA Exempt Party then such party shall be treated for the purposes of this Charter and the Leasing Documents as if it is a FATCA Non-Exempt Party; and
  - (ii) if that party failed to confirm its applicable passthru percentage then such party shall be treated for the purposes of this Charter and the Leasing Documents (and payments made thereunder) as if its applicable passthru percentage is 100%,

until (in each case) such time as the party in question provides sufficient confirmation, forms, documentation or other information to establish the relevant facts.

### 59.3 **FATCA Deduction and gross-up by Relevant Party**

- (a) If the representation made by the Charterers under Clause 45.1(q) proves to be untrue or misleading such that the Charterers are required to make a FATCA Deduction, the Charterers shall make the FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA.
- (b) If the Charterers are required to make a FATCA Deduction then the Charterers shall increase the payment due from them to the Owners to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required.
- (c) The Charterers shall promptly upon becoming aware that they must make a FATCA Deduction (or that there is any change in the rate or basis of a FATCA Deduction) notify the Owners accordingly.
- (d) Within thirty (30) days of the Charterers making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, the Charterers shall deliver to the Owners evidence reasonably satisfactory to the Owners that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant governmental or taxation authority.

### 59.4 **FATCA Deduction by Owners**

The Owners may make any FATCA Deduction they are required by FATCA to make, and any payment required in connection with that FATCA Deduction, and the Owners shall not be required to increase any payment in respect of which they make such a FATCA Deduction or otherwise compensate the recipient for that FATCA Deduction.

### 59.5 **FATCA Mitigation**

Notwithstanding any other provision to this Charter, if a FATCA Deduction is or will be required to be made by any party under Clause 59.3 in respect of a payment to the Owners as a result of the Owners not being a FATCA Exempt Party, the Owners shall have the right to transfer their interest in the Vessel (and this Charter) to any person nominated by the Owners and all costs in relation to such transfer shall be for the account of the Charterers.

## **Clause 60 – DEFINITIONS**

60.1 In this Charter the following terms shall have the meanings ascribed to them below:

**“Acceptance Certificate”** means a certificate substantially in the form set out in Schedule I (*Acceptance Certificate*) to be signed by the Charterers at Delivery.

**“Account Bank”** means ABN AMRO N.V. acting through its office at Amsterdam, the Netherlands or such bank as the Owners may approve in advance in writing.

**“Account Security”** means the document creating security over the Earnings Account executed by the Charterers in favour of the Owners, in the agreed form.

**“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.

**“AF Affiliate”** means any corporation which is owned directly or indirectly (through entities owned and controlled by Mrs Angeliki Frangou or trusts or foundations of which she is the beneficiary) by Mrs Angeliki Frangou.

**“Anti-Money Laundering Laws”** means all applicable financial record-keeping and reporting requirements, anti-money laundering statutes (including all applicable rules and regulations thereunder) and all applicable related or similar laws, rules, regulations or guidelines, of all jurisdictions including and without limitation, the United States of America, the European Union and the People’s Republic of China, and which in each case are (a) issued, administered or enforced by any governmental agency having jurisdiction over any Relevant Person or the Owners; (b) of any jurisdiction in which any Relevant Person or the Owners conduct business; or (c) to which any Relevant Person or the Owners is subjected or subject to.

**“Anti-Terrorism Financing Laws”** means all applicable anti-terrorism laws, rules, regulations or guidelines of any jurisdiction, including and not limited to the United States of America or the People’s Republic of China which are: (a) issued, administered or enforced by any governmental agency, having jurisdiction over any Relevant Person or the Owners; (b) of any jurisdiction in which any Relevant Person or the Owners conduct business; or (c) to which any Relevant Person or the Owners are subjected or subject to.

**“Approved Manager”** means any ship management company appointed by the Charterers and approved in writing in advance by the Owners.

**“Approved Sub-charter”** means any charter or employment of the Vessel which (i) has been approved in writing by the Owners pursuant to Clause 46.1(w) or (ii) has a charter period exceeding twenty-four (24) months (taking into account any optional extension period).

**“Approved Sub-charterer”** means any sub-charterer (approved by the Owners in writing) to any Approved Sub-charter.

**“Approved Valuer”** means Arrow, Fearnleys, Clarksons, Platou, Maersk Brokers, Simpson Spence Young, Howe Robinson, Braemar, VesselsValue or any other independent and reputable shipbroker nominated by the Charterers and approved by the Owners.

**“Breakfunding Costs”** means all breakfunding costs and expenses incurred or payable by the Owners when a repayment or prepayment under the relevant funding arrangement entered into by the Owners for the purpose of financing the Purchase Price does not fall on a Payment Date as a result of or due to the payments made under this Charter by the Charterers.

**“Business Day”** means a day on which banks are open for business in the principal business centres of Athens, Amsterdam, Shanghai, Hong Kong and:

- (a) in respect of a day on which a payment is required to be made or other dealing is due to take place under a Leasing Document in Dollars, also a day on which commercial banks are open in New York City; and
- (b) in relation to the fixing of Term SOFR or any interest rate, which is a US Government Securities Business Day.

**“Business Ethics Law”** means any laws, regulations and/or other legally binding requirements or determinations in relation to corruption, fraud, collusion, bid-rigging or anti-trust, human rights violations (including forced labour and human trafficking) which are applicable to any Relevant Person or the Owners or to any jurisdiction where activities are performed and which shall include but not be limited to (i) the United Kingdom Bribery Act 2010 and (ii) the United States Foreign Corrupt Practices Act 1977 and all rules and regulations under each of (i) and (ii).

**“Cancelling Date”** has the meaning given to that term in the MOA.

**“Charterhire”** means each of, as the context may require, all of the monthly instalments of hire payable hereunder comprising in each case:

- (a) a component of Fixed Charterhire; and
- (b) a component of Variable Charterhire.

**“CISADA”** means the United States Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 as it applies to non-US persons.

**“Charter Period”** means the period commencing on the Delivery Date and described in Clause 32.2 unless it is either terminated earlier pursuant to the terms of this Charter.

**“Classification Society”** means DNV GL or any classification society being a member of the International Association of Classification Societies which is approved by the Owners.

**“Delivery”** means the delivery of the legal and beneficial interest in the Vessel from the Owners to the Charterers pursuant to the terms of the MOA.

**“Delivery Date”** means the date on which Delivery occurs.

**“Document of Compliance”** has the meaning given to it in the ISM Code.

**“Dollars”** or **“US\$”** or **“\$”** means the lawful currency for the time being of the United States of America.

**“Earnings”** means all moneys whatsoever which are now, or later become, payable (actually or contingently) and which arise out of the use or operation of the Vessel, including (but not limited to):

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

“**Earnings Account**” means, an account in the name of the Charterers with the Account Bank into which the Earnings are paid.

“**Early Purchase Option**” means the early purchase option which the Charterers are entitled to exercise pursuant to Clause 47 (*Early Purchase Option*).

“**Early Purchase Option Date**” has the meaning given to that term in Clause 47.1.

“**Early Purchase Option Fee**” means, in relation to an Early Purchase Option Date, an amount equal to the Outstanding Principal Balance multiplied by the following percentages pursuant to the table below corresponding with such Early Purchase Option Date:

<b>Early Purchase Option Date</b>	<b>Percentage (%)</b>
a day falling during the period commencing from the Delivery Date up to (and including) the date falling 27 months after the Delivery Date	1.0
a day falling during the period commencing from (and including) the day immediately following 27 months after the Delivery Date up to (and including) the last day of the natural expiration of the Charter Period	0

“**Early Purchase Option Notice**” has the meaning given to that term in Clause 47.1.

“**Early Purchase Option Price**” means, in relation to the Early Purchase Option Date, the aggregate, as at that date, of:

- (a) the Outstanding Principal Balance;
- (b) the Early Purchase Option Fee;
- (c) any unpaid Variable Charterhire;
- (d) any Breakfunding Costs;
- (e) any legal costs incurred by the Owners in connection with the exercise of the Early Purchase Option under Clause 47 (*Early Purchase Option*); and
- (f) all other amounts payable under this Charter and the other Leasing Documents together with any applicable interest thereon.

“**Environmental Claim**” means:

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

and for this purpose, “**claim**” means 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 the Vessel or from the Vessel 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 the Vessel and which involves a collision between the Vessel and such other vessel or some other incident of navigation or operation, in either case, in connection with which the Vessel is actually or reasonably expected to be potentially liable to be arrested, attached, detained or injuncted and/or the Vessel and/or any Relevant Person and/or any operator or manager of the Vessel 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 the Vessel and in connection with which the Vessel is actually or reasonably expected to be potentially liable to be arrested and/or where any Relevant Person and/or any operator or manager of the Vessel is at fault or allegedly at fault or otherwise liable to any legal or administrative action.

**“Environmental Law”** means any present or future law relating to pollution or protection of human health or the environment, to conditions in the workplace, to the carriage, generation, handling, storage, use, release or spillage of Environmentally Sensitive Material or to actual or threatened releases of Environmentally Sensitive Material.

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

**“Existing Bareboat Charter”** means the bareboat charterparty in respect of the Vessel entered into between the Ultimate Sellers as owners and the Charterers as charterers.

**“Existing Security”** means all Security provided under or in connection with the Vessel by the Charterers to the Ultimate Sellers for the obligations of the Charterers or any other party under or in connection with the Existing Bareboat Charter.

**“Expiry Purchase Obligation”** means the obligation of the Charterers to acquire the Vessel pursuant to Clause 48 (*Expiry Purchase Obligation*).

**“Expiry Purchase Obligation Date”** has the meaning given to that term in Clause 48.1.

**“Expiry Purchase Price”** means US\$3,499,900.

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

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;

- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a lease, a deferred purchase consideration arrangement (other than deferred payments for assets or services obtained on normal commercial terms in the ordinary course of business) or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap or any other kind of derivative transaction entered into by the debtor or, if the agreement under which any such transaction is entered into requires netting of mutual liabilities, the liability of the debtor for the net amount; or
- (f) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within paragraphs (a) to (e) if the references to the debtor referred to the other person.

**“Financial Instruments”** means a mortgage, a deed of covenant, a general assignment or such other financial security instruments granted to the Owners’ financiers as security for the obligations of the Owners in relation to the financing of the acquisition of the Vessel.

**“Fixed Charterhire”** means:

- (a) in relation to 1<sup>st</sup> to the 15<sup>th</sup> Payment Date, an amount equivalent to US\$185,300;
- (b) in relation to 16<sup>th</sup> to the 27<sup>th</sup> Payment Date, an amount equivalent to US\$113,825; and
- (c) in relation to 28<sup>th</sup> to the 39<sup>th</sup> Payment Date, an amount equivalent to US\$71,225.

**“Flag State”** means the Republic of the Marshall Islands or any other flag state approved by the Owners in writing.

**“General Assignment”** means the general assignment executed or to be executed between the Charterers and the Owners in respect of the Vessel, pursuant to which the Charterers shall, assign their rights under the Insurances, Earnings, Requisition Compensation, and each charter (other than a demise charter) of the Vessel entered into by the Charterers with a charter period exceeding twenty-four (24) months (taking into account any optional extension period) in favour of the Owners and in the agreed form.

**“Group”** means the Guarantor and each of its direct or indirect subsidiaries from time to time.

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

**“Guarantee”** means a guarantee executed by the Guarantor in favour of the Owners dated on or around the date of this Charter.

**“Holding Company”** means, in relation to a person, any other person in relation to which it is a subsidiary.

“**Initial Market Value**” has the meaning given to that term under the MOA.

“**Insurances**” means:

- (a) all policies and contracts of insurance, including entries of the Vessel in any protection and indemnity or war risks association, which are effected in respect of the Vessel or otherwise in relation to it whether before, on or after the date of this Charter; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Charter.

“**Interest Rate**” means, in relation to Variable Charterhire, the rate of interest determined in accordance with Schedule III (*Interest Rate*) plus the Margin.

“**ISM Code**” means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organization Assembly as Resolutions A.741 (18) and A.788 (19), as the same may be amended or supplemented from time to time (and the terms “**safety management system**”, “**Safety Management Certificate**” and “**Document of Compliance**” have the same meanings as are given to them in the ISM Code).

“**ISPS Code**” means the International Ship and Port Security Code as adopted by the Conference of Contracting Governments to the Safety of Life at Sea Convention 1974 on 13 December 2002 and incorporated as Chapter XI-2 of the Safety of Life at Sea Convention 1974, as the same may be supplemented or amended from time to time.

“**Leasing Documents**” means this Charter, the MOA, the Security Documents and the Trust Deed.

“**Major Casualty**” means any casualty to the Vessel in respect of which the claim or the aggregate of the claims against all insurers, before adjustment for any relevant franchise or deductible, exceeds US\$1,000,000 (or its equivalent in any other currency).

“**Manager’s Undertaking**” means, in relation to an Approved Manager, the letter of undertaking from such Approved Manager, *inter alia*, subordinating the rights of such Approved Manager against the Vessel and the Charterers to the rights of the Owners and their financiers (if any) in an agreed form.

“**Margin**” means 2.10% per annum.

“**Market Value**” means, in relation to the Vessel at any relevant time, the arithmetic mean of two (2) valuations, each prepared by an Approved Valuer (one selected by the Owners and one selected by the Charterers (but both at the cost of the Charterers)):

- (a) on a date no earlier than thirty (30) days previously;
- (b) without physical inspection of the Vessel; and
- (c) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing and a willing buyer, free of any existing charter or other contract of employment.



**"MARPOL Protocol"** means Annex VI (Regulations for the Prevention of Air Pollution from Ships) to the International Convention for the Prevention of Pollution from Ships 1973 (as amended in 1978 and 1997).

**"Material Adverse Effect"** means, in the opinion of the Owners, a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Charterers, the Shareholder, the Guarantor or the Group taken as a whole; or
- (b) the ability of any Relevant Person to perform its obligations under any Leasing Document to which it is a party; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security Interests granted pursuant to any of the Leasing Documents or the rights or remedies of the Owners under any of the Leasing Documents.

**"MOA"** means the memorandum of agreement entered into by the Charterers as sellers and the Owners as buyers dated on the date of this Charter in relation to the sale and purchase of the Vessel.

**"Mortgagee"** has the meaning given to that term in Clause 35.2.

**"Navios Spring Bareboat Charter"** means the bareboat charterparty in respect of the vessel known as m.v. "Navios Spring", entered into between Xiang H104 International Ship Lease Co., Limited as owner and Rodman Maritime Corp. as charterer, dated on or about the date of this Charter.

**"Navios Spring Delivery Date"** means the Delivery Date (as defined under the Navios Spring Bareboat Charter).

**"Net Sale Proceeds"** means, in relation to a sale of the Vessel by the Owners to a third party following the Charterers' failure to pay the Termination Purchase Price, the amount of the consideration actually and unconditionally received by the Owners from a purchaser of the Vessel and any non-refundable deposit paid to or for the account of the Owners by a person acquiring or proposing to acquire the Vessel under a contract or offer to purchase the Vessel or other agreement to acquire the Vessel which has been withdrawn, terminated or cancelled or has lapsed, after deducting in each case: (a) any tax for which the Owners are required to account in respect of such sale, and (b) the Owners' costs and out of pocket expenses properly incurred in connection with such sale (including but not limited to brokers' commissions, legal fees, registration fees and stamp duties) or properly incurred in recovering possession of or in moving, insuring, maintaining, or dry-docking the Vessel and in carrying out any works or modifications required to restore the Vessel to the condition required by this Charter.

**"Non-subsidiary Manager"** means an Approved Manager which is not an entity within the Group (and which shall include without limitation, as at the date of this Agreement, Navios Containers Management Inc., Navios Shipmanagement Inc. or any AF Affiliate for so long as each such corporation is not a member within the Group).

**"OFAC"** means the U.S. Department of Treasury's Office of Foreign Assets Control.

**"Original Jurisdiction"** means, in relation to any Relevant Person, the jurisdiction under whose laws they are respectively incorporated, converted or formed as at the date of this Charter.

**“Other Charter”** means, in relation to each Other Charterer, the bareboat charterparty entered into between the relevant Other Owner and such Other Charterer in respect of the relevant Other Vessels.

**“Other Charterer”** means each or, as the context may require, any of Rodman Maritime Corp., Silvanus Marine Company, Morven Chartering Inc., Isolde Shipping Inc., Velour Management Corp., Enplo Shipping Limited, Olympia II Navigation Limited, Pingel Navigation Limited, Anthimar Marine Inc., Ebba Navigation Limited and Clan Navigation Limited (and **“Other Charterers”** mean all of them).

**“Other Owner”** means each or, as the context may require, any of Xiang H104 International Ship Lease Co., Limited, Xiang H119 International Ship Lease Co., Limited, Xiang H129 International Ship Lease Co., Limited, Xiang H130 International Ship Lease Co., Limited, Xiang H131 International Ship Lease Co., Limited, Xiang H132 International Ship Lease Co., Limited, Jiahai International Ship Lease Co., Limited, Jialong International Ship Lease Co., Limited, Longli International Ship Lease Co., Limited, Xiang L33 HK International Ship Lease Co., Limited and Xiang T51 HK International Ship Lease Co., Limited (and **“Other Owners”** means all of them).

**“Other Vessel”** means each or, as the context may require, any of “Navios Spring”, “Navios Summer”, “Matson Oahu”, “Navios Indigo”, “Navios Vermillion”, “Navios Verde”, “Navios Domino”, “Navios Delight”, “Navios Amarillo”, “Navios Destiny”, and “Navios Devotion” (and **“Other Vessels”** means all of them).

**“Outstanding Principal Balance”** means:

- (a) in relation to the first Payment Date, the Purchase Price minus the aggregate of (i) the Upfront Charterhire and (ii) the Fixed Charterhire payable on such first Payment Date which has been paid by the Charterers and received by the Owners as at such date;
- (b) in relation to any other relevant date or Payment Date (other than the first Payment Date), the amount referred to in paragraph (a) above minus the aggregate Fixed Charterhire which has been paid by the Charterers and received by the Owners as at such date.

**“Party”** means either party to this Charter.

**“Payment Date”** means each of the thirty-nine (39) dates described in Clause 36.5 (including, without limitation, the Second Payment Date), upon which an instalment of Charterhire is to be paid by the Charterers to the Owners pursuant to Clause 36 (*Charterhire and Upfront Charterhire*).

**“Payment Notice”** shall have the meaning given to it under the MOA.

**“Permitted Security Interests”** means:

- (a) Security Interests created by a Leasing Document or a Financial Instrument;
- (b) liens for unpaid master’s and crew’s wages in accordance with the ordinary course of operation of the Vessel or in accordance with usual reputable maritime practice;
- (c) liens for salvage;

- (d) liens for master's disbursements incurred in the ordinary course of trading;
- (e) any other liens arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of the Vessel provided such liens do not secure amounts more than 30 days overdue;
- (f) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the Owners are prosecuting or defending such action in good faith by appropriate steps; and
- (g) Security Interests arising by operation of law in respect of taxes which are not overdue or for payment of taxes which are overdue for payment but which are being contested by the Owners or the Charterers in good faith by appropriate steps and in respect of which adequate reserves have been made.

**"Potential Termination Event"** means, an event or circumstance which, with the giving of any notice, the lapse of time, a determination of the Owners and/or the satisfaction of any other condition, would constitute a Termination Event.

**"Purchase Price"** has the meaning ascribed thereto in the MOA.

**"Quiet Enjoyment Letter"** means the quiet enjoyment letter entered or to be entered into between amongst others, the Owners, the Charterers and the Approved Sub-charterer in relation to the Vessel.

**"Quotation Day"** means in relation to any Term or other period for which an Interest Rate is to be determined, three (3) US Government Securities Business Days before the first day of that period unless market practice differs in the Relevant Market in which case the Quotation Day will be determined by the Owners in accordance with market practice in the Relevant Market (and if quotations would normally be given by leading banks in the Relevant Market on more than one day, the Quotation Day will be the last of those days).

**"Relevant Market"** means the market for overnight cash borrowing collateralised by US Government securities.

**"Relevant Person"** means:

- (a) the Charterers,
- (b) the Other Charterers,
- (c) the Guarantor,
- (d) the Shareholder;
- (e) any Approved Manager other than a Non-subsidiary Manager; and
- (f) such other party providing security to the Owners for the Charterers' obligations under this Charter pursuant to a Security Document or otherwise.

**"Relevant Jurisdiction"** means, in relation to any Relevant Person:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any property owned by it and charged under a Leasing Document is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) any jurisdiction whose laws govern the perfection of any of the Leasing Documents entered into by it creating a Security Interest.

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

“**Restricted Countries**” means those countries subject to country-wide or territory-wide Sanctions and/or trade embargoes, in particular but not limited to those of OFAC, including at the date of this Charter, but without limitation, Cuba, Crimea, Iran, North Korea, Sudan, Syria and any additional countries based on respective country-wide or territory-wide Sanctions being imposed by OFAC or any of the regulative bodies referred to in the definition of Restricted Persons.

“**Restricted Person**” means a person, entity or any other parties (i) located, domiciled, resident or incorporated in Restricted Countries, and/or (ii) subject to any sanction administered by the United Nations, the European Union, Switzerland, the United States, OFAC, the United Nations, the United Kingdom, Her Majesty’s Treasury and the Foreign and Commonwealth Office of the United Kingdom, the People’s Republic of China and/or (iii) owned or controlled by or affiliated with persons, entities or any other parties as referred to in (i) and (ii).

“**Sanctions**” means any sanctions, embargoes, freezing provisions, prohibitions or other restrictions relating to trading, doing business, investment, exporting, financing or making assets available (or other activities similar to or connected with any of the foregoing) imposed by law or regulation of the United Kingdom, the United States of America (including, without limitation, CISADA and OFAC), the People’s Republic of China or the Council of the European Union.

“**Security Documents**” means the Guarantee, the Account Security, the General Assignment, the Shares Security, the Manager’s Undertaking, the Quiet Enjoyment Letter (if applicable) and any other security documents granted as security for the obligations of the Charterers under or in connection with this Charter.

“**Security Interest**” means:

- (a) a mortgage, charge (whether fixed or floating), pledge or assignment, any maritime or other lien or any other security interest of any kind;
- (b) the security rights of a plaintiff under an action in rem; or
- (c) any other right which confers on a creditor or potential creditor a right or privilege to receive the amount actually or contingently due to it ahead of the general unsecured creditors of the debtor concerned; however this paragraph (c) does not apply to a right of set off or combination of accounts conferred by the standard terms of business of a bank or financial institution.

“**Second Payment Date**” has the meaning given to such term under Clause 36.5(c).

**“Shareholder”** means Navios Partners Containers Inc., a corporation incorporated and existing under the laws of the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, the Republic of Marshall Islands.

**“Shares Security”** means the shares security over the shares in the Charterers to be executed by the Shareholder in favour of the Owners on or around the date of this Charter.

**“SOFR”** means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

**“Term”** means, in relation to the definitions of “Fixed Charterhire” and “Variable Charterhire”, a period of one (1) month’s duration, provided that:

- (a) the first period shall commence on the Delivery Date;
- (b) each subsequent period shall commence on the last day of the preceding period;
- (c) if any period commences on the last day of a calendar month or on a day for which there is no numerically corresponding day in the calendar month falling one (1) month thereafter, as the case may be, that period shall, subject to paragraph (d), end on the last day of such later calendar month; and
- (d) any period which would otherwise extend beyond the Charter Period shall instead end on the last day of the Charter Period.

**“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”** has the meaning given to that term in Clause 44.2.

**“Termination Event”** means any event described in Clause 44 (*Termination Events*).

**“Termination Purchase Price”** means, in respect of any date, the aggregate, as at such date, of:

- (a) an amount equivalent to 101% of the Outstanding Principal Balance;
- (b) any Breakfunding Costs;
- (c) any unpaid Variable Charterhire;
- (d) any costs incurred and expenses incurred by the Owners (and their financiers (if any)) in locating, repossessing or recovering the Vessel or collecting any payments due under this Charter or in obtaining the due performance of the obligations of the Charterers under this Charter or the other Leasing Documents and any default interest in relation thereto;

- (e) any legal costs incurred by the Owners in connection with the termination of this Charter under Clause 44 (Termination Events); and
- (f) all other outstanding amounts payable under this Charter together with any applicable interest thereon.

**“Total Loss”** means:

- (a) actual, constructive, compromised, agreed or arranged total loss of the Vessel;
- (b) any expropriation, confiscation, requisition or acquisition of the Vessel, whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority; or
- (c) any arrest, capture, seizure or detention of the Vessel (including any hijacking or theft but excluding any event specified in paragraph (b) of this definition) unless it is redelivered within thirty (30) days to the full control of the Owners or the Charterers.

**“Trust Deed”** means a trust deed dated on or around the date of this Charter entered into between amongst others the Owners, the Other Owners, the Charterers, the Other Charterers, the Shareholder and the Guarantor which, *inter alia*, sets out the obligations of the Owners in respect of holding on trust all moneys or other assets received or recovered by or on behalf of the Owners and the Other Owners by virtue of any Security Interest or other rights granted to the Owners under or by virtue of the Security Documents.

**“Ultimate Sellers”** has the meaning given to that term under the MOA.

**“Ultimate Sellers MOA”** means the memorandum of agreement for the sale by the Ultimate Sellers to the Charterers of the Vessel entered between the Ultimate Sellers as sellers and the Charterers as buyers.

**“Upfront Charterhire”** means an amount equivalent to US\$2,500,000.

**“Upfront Fee”** shall have the meaning given to such term in Clause 41.1.

**“US”** means the United States of America.

**“US Government Securities Business Day”** means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

**“US Tax Obligor”** means (a) a person which is resident for tax purposes in the United States of America or (b) a person some or all of whose payments under the Leasing Documents are from sources within the United States for United States federal income tax purposes.

**“Variable Charterhire”** means, in relation to a Payment Date, the interest component of Charterhire calculated in accordance with Schedule III (*Interest Rate*) at the applicable Interest Rate for the Term ending on the next Payment Date on the Outstanding Principal Balance (as at Delivery Date, in the case of the first Payment Date, and as at the preceding Payment Date, in the case of all other Payment Dates).

**“Vessel”** means the 4,250 TEU container vessel named m.v. “Matson Lanai” with IMO No. 9334143 and which is to be registered under the name of the Owners under the flag of the Republic of the Marshall Islands upon Delivery.

60.2 In this Charter:

**“Approved Manager”, “Approved Sub-charterer”, “Charterers”, “Other Charterers”, “Other Owners”, “Owners”, “Relevant Person”, “Shareholder”** 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 Leasing Documents;

**“agreed form”** means, in relation to a document, such document in a form agreed in writing by the Owners;

**“asset”** includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

**“company”** includes any partnership, joint venture and unincorporated association;

**“consent”** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

**“contingent liability”** means a liability which is not certain to arise and/or the amount of which remains unascertained;

**“continuing”** or, as the case may be, **“continuation of”** means, in relation to any Termination Event, a Termination Event which has not been waived by the Owners in writing and in relation to any Potential Termination Event, a Potential Termination Event which has not been waived by the Owners in writing;

**“control”** over a particular company means the power (whether by way of ownership of units/shares, proxy, contract, agency or otherwise) to:

- (a) cast, or control the casting of, more than 51 per cent, of the maximum number of votes that might be cast at a general meeting of such company; or
- (b) appoint or remove all, or the majority, of the directors or other equivalent officers of such company; or
- (c) give directions with respect to the operating and financial policies of such company with which the directors or other equivalent officers of such company are obliged to comply;

**“document”** includes a deed; also a letter, fax or telex;

**“expense”** means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

“**law**” includes any order or decree, any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“**legal or administrative action**” means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

“**liability**” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“**months**” shall be construed in accordance with Clause 60.3;

“**person**” includes any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

“**policy**”, in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Clubs including pollution risks, freight, demurrage and defence cover, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02 or 1/11/03), clause 8 of the Institute Time Clauses (Hulls)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls) (1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

“**regulation**” includes any regulation, rule, official directive, request or guideline whether or not having the force of law of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

“**subsidiary**” has the meaning given in Clause 60.4; and

“**tax**” includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine.

### 60.3 Meaning of “month”

A period of one or more “months” ends on the day in the relevant calendar month numerically corresponding to the day of the calendar month on which the period started (“**the numerically corresponding day**”), but:

- (a) on the Business Day following the numerically corresponding day if the numerically corresponding day is not a Business Day or, if there is no later Business Day in the same calendar month, on the Business Day preceding the numerically corresponding day; or
- (b) on the last Business Day in the relevant calendar month, if the period started on the last Business Day in a calendar month or if the last calendar month of the period has no numerically corresponding day;

and “**month**” and “**monthly**” shall be construed accordingly.



60.4 Meaning of “subsidiary”.

A company (S) is a subsidiary of another company (P) if a majority of the issued units/shares in S (or a majority of the issued units/shares in S which carry unlimited rights to capital and income distributions) are directly owned by P or are indirectly attributable to P.

A company (S) is a subsidiary of another company (U) if S is a subsidiary of P and P is in turn a subsidiary of U.

60.5 In this Charter:

- (a) references to a Leasing Document or any other document being in the form of a particular appendix or to any document referred to in the recitals include references to that form with any modifications to that form which the Owners approve;
- (b) references to, or to a provision of, a Leasing Document or any other document are references to it as amended or supplemented, whether before the date of this Charter or otherwise;
- (c) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Charter or otherwise; and
- (d) words denoting the singular number shall include the plural and vice versa.

60.6 Headings

In interpreting a Leasing Document or any provision of a Leasing Document, all clauses, sub-clauses and other headings in that and any other Leasing Document shall be entirely disregarded.



EXECUTION PAGE

BUYERS

SIGNED )  
by )  
as an attorney-in-fact )  
for and on behalf of )  
LONGSHI INTERNATIONAL SHIP LEASE CO., LIMITED )  
in the presence of: )

Witness' signature: )  
Witness' name: )  
Witness' address: )

SELLERS

SIGNED )  
by Maria Trivela )  
as an attorney-in-fact )  
for and on behalf of )  
EVIAN SHIPTRADE LTD )  
in the presence of: )

Witness' signature: )  
Witness' name: )  
Witness' address: )



*Aikaterina*  
AIKATERINA DIMITRIOU  
WATSON FARLEY & WILLIAMS  
348 SYNGROU AVENUE  
176/74 KALLITHEA  
ATHENS - GREECE

- 1 Dated: 23 OCT 2022
- 2 **EVIAN SHIPTRADE LTD**, a corporation incorporated and existing under the laws of the Republic of the Marshall Islands, having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (Name of sellers), hereinafter called the "Sellers", have agreed to sell, and
- 3 **LONGSHI INTERNATIONAL SHIP LEASE CO., LIMITED**, a company incorporated under the laws of Hong Kong, having its registered office is at 1/F Far East Consortium Bldg, 121 Des Voeux Rd Central, HK (Name of buyers), hereinafter called the "Buyers", have agreed to buy:
- 4 Name of vessel: **Matson Lanai**
- 5 IMO Number: **9334143**
- 6 Classification Society: **DNV GL**
- 7 Class Notation: **100 A5 Container ship SOLAS-II-2,Reg.19 IW RSD MC AUT**
- 8 Year of Build: **2007** Builder/Yard: **Dalian Shipbuilding Industry Co. Ltd. / CS 4250-6**
- 9 Flag: **Marshall Islands** Place of Registration: **Marshall Islands** GT/NT: **39906 / 24504**
- 10 hereinafter called the "Vessel", on the following terms and conditions:
- 11 **Definitions - see also Clause 31 (Definitions)**
- 12 ~~"Banking Days" are days on which banks are open both in the country of the currency stipulated for~~
- 13 ~~the Purchase Price in Clause 1 (Purchase Price) and in the place of closing stipulated in Clause 8~~
- 14 ~~(Documentation) and "Agreement" means this memorandum of agreement which shall for the avoidance of~~  
~~doubt, include the rider provisions from Clauses 19 (Payment of Purchase Price) to 31 (Definitions). (add~~  
~~additional jurisdictions as appropriate).~~
- 15 "Buyers' Nominated Flag State" means **Marshall Islands** (state flag state).
- 16 "Class" means the class notation referred to above.
- 17 "Classification Society" means the ~~classification S~~society referred to above ~~in Line 6~~.
- 18 ~~"Deposit" shall have the meaning given in Clause 2-(Deposit)~~
- 19 ~~"Deposit Holder" means \_\_\_\_\_ (state name and location of Deposit Holder) or, if left blank, the~~
- 20 ~~Sellers' Bank, which shall hold and release the Deposit in accordance with this Agreement.~~
- 21 "In writing" or "written" means a letter handed over from the Sellers to the Buyers or vice versa, a
- 22 registered letter, e-mail or telefax.
- 23 "Parties" means the Sellers and the Buyers.
- 24 ~~"Purchase Price" means the price for the vessel as stated in Clause (Purchase Price).~~
- 25 ~~"Sellers' Account" means \_\_\_\_\_ (state details of bank account) at the Sellers' Bank.~~

26 "Sellers' Bank" means \_\_\_\_\_ (state name of bank, branch and details) or, if left blank, the bank  
27 notified by the Sellers to the Buyers for receipt of the balance of the Purchase Price.

28 **1. Purchase Price**

29 ~~See Clause 19 (Payment of Purchase Price) The Purchase Price is \_\_\_\_\_ (state currency and amount both in words and  
30 figures):~~

30 **2. Deposit**

31 ~~As security for the correct fulfilment of this Agreement the Buyers shall lodge a deposit of  
32 % ( per cent) or, if left blank, 10% (ten per cent), of the Purchase Price (the  
33 "Deposit) in an interest bearing account for the Parties with the Deposit Holder within three (3)  
34 Banking Days after the date that:~~

35 ~~(i) this Agreement has been signed by the Parties and exchanged in original or by  
36 e-mail or telefax; and~~

37 ~~(ii) the Deposit Holder has confirmed in writing to the Parties that the account has been  
38 opened:~~

39 ~~The Deposit shall be released in accordance with joint written instructions of the Parties.  
40 Interest, if any, shall be credited to the Buyers. Any fee charged for holding and releasing the  
41 Deposit shall be borne equally by the Parties. The Parties shall provide to the Deposit Holder  
42 all necessary documentation to open and maintain the account without delay.~~

43 **3. Payment**

44 ~~See Clause 19 (Payment of Purchase Price) On delivery of the Vessel, but not later than three (3) Banking Days after the date  
45 that Notice of~~

46 ~~Readiness has been given in accordance with Clause 5 (Time and place of delivery and  
47 notices):~~

47 ~~(i) the Deposit shall be released to the Sellers; and~~

48 ~~(ii) the balance of the Purchase Price and all other sums payable on delivery by the Buyers  
49 to the Sellers under this Agreement shall be paid in full free of bank charges to the  
50 Sellers' Account.~~

51 **4. Inspection**

52 ~~(a)\* The Buyers have inspected and accepted the Vessel's classification records. The Buyers  
53 have also inspected the vessel at/in \_\_\_\_\_ (state place) on \_\_\_\_\_ (state date) and have  
54 accepted the Vessel following this inspection and the sale is outright and definite, subject only  
55 to the terms and conditions of this Agreement.~~

56 ~~(b)\* The Buyers shall have the right to inspect the Vessel's classification records and declare  
57 whether same are accepted or not within \_\_\_\_\_ (state date/period).~~

58 ~~The Sellers shall make the Vessel available for inspection at/in \_\_\_\_\_ (state place/range) within  
59 (state date/period).~~

60 ~~The Buyers shall undertake the inspection without undue delay to the Vessel. Should the  
61 Buyers cause undue delay they shall compensate the Sellers for the losses thereby incurred~~

62 ~~The Buyers shall inspect the Vessel without opening up and without cost to the Sellers.~~

63 ~~During the inspection, the Vessel's deck and engine log books shall be made available for~~  
64 ~~examination by the Buyers.~~

65 ~~The sale shall become outright and definite, subject only to the terms and conditions of this~~  
66 ~~Agreement, provided that the Sellers receive written notice of acceptance of the Vessel from~~  
67 ~~the Buyers within seventy two (72) hours after completion of such inspection or after the~~  
68 ~~date/last day of the period stated in Line 59, whichever is earlier.~~

69 ~~Should the Buyers fail to undertake the inspection as scheduled and/or notice of acceptance of~~  
70 ~~the Vessel's classification records and/or of the Vessel not be received by the Sellers as~~  
71 ~~aforsaid, the Deposit together with interest earned, if any, shall be released immediately to the~~  
72 ~~Buyers. Whereafter this Agreement shall be null and void.~~

73 ~~\*4(a) and 4(b) are alternatives; delete whichever is not applicable in the absence of deletions;~~  
74 ~~alternative 4(a) shall apply.~~

## 75 5. Time and place of delivery and notices

76 (a) The Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or  
77 anchorage at/in **international waters or otherwise a safe and accessible berth or anchorage at any such place as the Buyers and the Sellers may agree (taking into consideration the employment commitments of the Vessel) but subject to the Buyers' approval and subject further to the delivery of the Vessel in such place not causing the Buyers to incur additional tax liabilities to those that the Buyers would have incurred had the sale been completed in international waters.** ~~(state place/range) in the Sellers' option.~~

78 ~~Notice of Readiness shall not be tendered before: (date)~~

79 Cancelling Date (see Clauses ~~5(c), 6 (a)(i), 6 (a) (iii) and~~ 14): **30 November 2022 (or such later date as may be agreed by the Owners in their absolute discretion).**

80 (b) The Sellers shall keep the Buyers well informed of the Vessel's itinerary and shall  
81 provide the Buyers with **at least twenty (20), ten (10), Five (5) and three (3) Business d**Days' **prior written** notice **(or such shorter**  
82 **period as the Buyers may agree)** of the date the  
83 Sellers intend to tender Notice of Readiness and of the intended place of delivery.

83 When the Vessel is **on a day being a Business Day**, at the place of delivery and physically ready for delivery in accordance  
84 with  
85 this Agreement, the Sellers shall give the Buyers a written Notice of Readiness for delivery.

85 ~~(c) If the Sellers anticipate that, notwithstanding the exercise of due diligence by them, the~~  
86 ~~Vessel will not be ready for delivery by the Cancelling Date they may notify the Buyers in writing~~  
87 ~~stating the date when they anticipate that the Vessel will be ready for delivery and proposing a~~  
88 ~~new Cancelling Date. Upon receipt of such notification the Buyers shall have the option of~~  
89 ~~either cancelling this Agreement in accordance with Clause 14 (Sellers' Default) within three (3)~~  
90 ~~Banking Days of receipt of the notice or of accepting the new date as the new as the new Cancelling Date.~~  
91 ~~If the Buyers have not declared their option within three (3) Banking Days of receipt of the Sellers'~~  
92 ~~notification or if the Buyers accept the new date, the date proposed in the Sellers'~~  
93 ~~notification shall be shall be deemed to be the new Cancelling Date and shall be substituted for the~~  
94 ~~Cancelling Date stipulated in line 79.~~

95 ~~If this Agreement is maintained with the new Cancelling Date all other terms and conditions~~  
96 ~~hereof including those contained in Clauses S(b) and S(d) shall remain unaltered and in full~~  
97 ~~force and effect.~~

98 ~~(c)(d)~~ Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely  
99 without prejudice to any claim for damages the Buyers may have under Clause 14 (Sellers'  
100 Default) for the Vessel not being ready by the original Cancelling Date.

101 ~~(d)(e)~~ Should the Vessel become a an-actual, constructive or compromised ~~† Total †~~ Loss before delivery  
102 ~~the Deposit together with interest earned, if any, shall be released immediately to the Buyers~~  
103 ~~whereafter this Agreement shall be null and void. terminate (. provided that any provision hereof expressed~~  
~~to survive such termination shall do so in accordance with its terms).~~

## 104 6. Divers Inspection / Drydocking

105 ~~(a)\*~~

106 ~~(i) The Buyers shall have the option at their cost and expense to arrange for an underwater~~  
107 ~~inspection by a diver approved by the Classification Society prior to the delivery of the~~  
108 ~~Vessel. Such option shall be declared latest nine (9) days prior to the Vessel's intended~~  
109 ~~date of readiness for delivery as notified by the Sellers pursuant to Clause 5(b) of this~~  
110 ~~Agreement. The Sellers shall at their cost and expense make the Vessel available for~~  
111 ~~such inspection. This inspection shall be carried out without undue delay and in the~~  
112 ~~presence of a Classification Society surveyor arranged for by the Sellers and paid for by~~  
113 ~~the Buyers. The Buyers' representative(s) shall have the right to be present at the diver's~~  
114 ~~inspection as observer(s) only without interfering with the work or decisions of the~~  
115 ~~Classification Society surveyor. The extent of the inspection and the conditions under~~  
116 ~~which it is performed shall be to the satisfaction of the Classification Society. If the~~  
117 ~~conditions at the place of delivery are unsuitable for such inspection, the Sellers shall at~~  
118 ~~their cost and expense make the Vessel available at a suitable alternative place near to~~  
119 ~~the delivery port, in which event the Cancelling Date shall be extended by the additional~~  
120 ~~time required for such positioning and the subsequent re-positioning. The Sellers may~~  
121 ~~not tender Notice of Readiness prior to completion of the underwater inspection.~~

122 ~~ii) If the rudder, propeller, bottom or other underwater parts below the deepest load line are~~  
123 ~~(found broken, damaged or defective so as to affect the Vessel's class, then (1) unless~~  
124 ~~repairs can be carried out afloat to the satisfaction of the Classification Society, the~~  
125 ~~Sellers shall arrange for the Vessel to be drydocked at their expense for inspection by~~  
126 ~~the Classification Society of the Vessel's underwater parts below the deepest load line;~~  
127 ~~the extent of the inspection being in accordance with the Classification Society's rules (2)~~  
128 ~~such defects shall be made good by the Sellers at their cost and expense to the~~  
129 ~~satisfaction of the Classification Society without condition/recommendation\*\* and (3) the~~  
130 ~~Sellers shall pay for the underwater inspection and the Classification Society's~~  
131 ~~attendance.~~

132 ~~Notwithstanding anything to the contrary in this Agreement, if the Classification Society~~  
133 ~~do not require the aforementioned defects to be rectified before the next class~~  
134 ~~drydocking survey, the Sellers shall be entitled to deliver the Vessel with these defects~~  
135 ~~against a deduction from the Purchase Price of the estimated direct cost (of labour and~~  
136 ~~materials) of carrying out the repairs to the satisfaction of the Classification Society;~~  
137 ~~whereafter the Buyers shall have no further rights whatsoever in respect of the defects~~  
138 ~~and/or repairs. The estimated direct cost of the repairs shall be the average of quotes~~  
139 ~~for the repair work obtained from two reputable independent shipyards at or in the~~  
140 ~~vicinity of the port of delivery, one to be obtained by each of the Parties within two (2)~~

141 Banking Days from the date of the imposition of the condition/recommendation, unless  
142 the Parties agree otherwise. Should either of the Parties fail to obtain such a quote within  
143 the stipulated time then the quote duly obtained by the other Party shall be the sole basis  
144 for the estimate of the direct repair costs. The Sellers may not tender Notice of  
145 Readiness prior to such estimate having been established.

146 (iii) If the Vessel is to be drydocked pursuant to Clause 6(a)(ii) and no suitable dry-docking  
147 facilities are available at the port of delivery, the Sellers shall take the Vessel to a port  
148 where suitable drydocking facilities are available, whether within or outside the delivery  
149 range as per Clause 5(a). Once drydocking has taken place the Sellers shall deliver the  
150 Vessel at a port within the delivery range as per Clause 5(a) which shall, for the purpose  
151 of this Clause, become the new port of delivery. In such event the Cancelling Date shall  
152 be extended by the additional time required for the drydocking and extra steaming, but  
153 limited to a maximum of fourteen (14) days.

154 (b)\* The Sellers shall place the Vessel in drydock at the port of delivery for inspection by the  
155 Classification Society of the Vessel's underwater parts below the deepest load line, the extent  
156 of the inspection being in accordance with the Classification Society's rules. If the rudder,  
157 propeller, bottom or other underwater parts below the deepest load line are found broken,  
158 damaged or defective so as to affect the Vessel's class, such defects shall be made good at the  
159 Sellers' cost and expense to the satisfaction of the Classification Society without  
160 condition/recommendation\*\*. In such event the Sellers are also to pay for the costs and  
161 expenses in connection with putting the Vessel in and taking her out of drydock, including the  
162 drydock dues and Classification Society's fees. The Sellers shall also pay for these costs  
163 and expenses if parts of the tailshaft system are condemned or found defective or broken so as  
164 to affect the Vessel's class. In all other cases, the Buyers shall pay the aforesaid costs and  
165 expenses, dues and fees.

166 (c) If the Vessel is drydocked pursuant to Clause 6 (a)(ii) or 6 (b) above:

167 (i) The Classification Society may require survey of the tailshaft system, the extent of the  
168 survey being to the satisfaction of the Classification surveyor. If such survey is  
169 not required by the Classification Society, the Buyers shall have the option to require the  
170 tailshaft to be drawn and surveyed by the Classification Society, the extent of the survey  
171 being in accordance with the Classification Society's rules for tailshaft survey and  
172 consistent with the current stage of the Vessel's survey cycle. The Buyers shall declare  
173 whether they require the tailshaft to be drawn and surveyed not later than by the  
174 completion of the inspection by the Classification Society. The drawing and refitting of  
175 the tailshaft shall be arranged by the sellers. should any parts of the tailshaft system be  
176 condemned or found defective so as to affect the Vessel's class, those parts shall be  
177 renewed or made good at the sellers' cost and expenses to the satisfaction of  
178 Classification Society without condition/recommendation\*\*.

179 (ii) The costs and expenses relating to the survey of the tailshaft system shall be borne by  
180 the Buyers unless the Classification Society requires such survey to be carried out or if  
181 parts of system are condemned or found defective or broken so as to affect the  
182 Vessel's class, in which case the Sellers shall pay these costs and expenses.

183 (iii) The Buyers' representative(s) shall have the right to be present in the drydock, as  
184 observer(s) only without interfering with the work or decisions of the Classification  
185 Society surveyor.

186 (iv) The Buyers shall have the right to have the underwater parts of the Vessel cleaned



187 ~~and painted at their risk, cost and expense without interfering with the Sellers' or the~~  
188 ~~Classification Society surveyor's work, if any, and without affecting the Vessel's timely~~  
189 ~~delivery. If, however, the Buyers' work in drydock is still in progress when the~~  
190 ~~Sellers have completed the work which the Sellers are required to do, the additional~~  
191 ~~docking time needed to complete the Buyers' work shall be for the Buyers' risk, cost and~~  
192 ~~expense. In the event that the Buyers' work requires such additional time, the Sellers~~  
193 ~~may upon completion of the Sellers' work tender Notice of Readiness for delivery whilst~~  
194 ~~the Vessel is still in drydock and, notwithstanding Clause 5(a), the Buyers shall be~~  
195 ~~obliged to take delivery in accordance with Clause 3 (Payment), whether the Vessel is in~~  
196 ~~drydock or not.~~

197 ~~\*6 (a) and 6 (b) are alternatives; delete whichever is not applicable. In the absence of deletions,~~  
198 ~~alternative 6 (a) shall apply.~~

199 ~~\*\*Notes or memoranda, if any, in the surveyor's report which are accepted by the Classification~~  
200 ~~Society without condition/recommendation are not to be taken into account.~~

## 201 **7. Spares, bunkers and other items**

202 The Sellers shall deliver the Vessel to the Buyers with everything belonging to her on board  
203 and on shore. All spare parts and spare equipment including spare tail-end shaft(s) and/or  
204 spare propeller(s)/propeller blade(s), if any, belonging to the Vessel at the time of **delivery inspection**  
205 used or unused, whether on board or not shall become the Buyers' property, but spares on  
206 order are excluded. ~~Forwarding charges, if any, shall be for the Buyers' account.~~ The Sellers  
207 are not required to replace spare parts including spare tail-end shaft(s) and spare  
208 propeller(s)/propeller blade(s) which are taken out of spare and used as replacement prior to  
209 delivery, but the replaced items shall be the property of the Buyers. Unused stores and  
210 provisions shall be included in the sale and be taken over by the Buyers without extra payment.

211 ~~Library and forms exclusively for use in the Sellers' vessel(s) and captain's, officers' and crew's~~  
212 ~~personal belongings including the stop chest are excluded from the sale without compensation;~~  
213 ~~as well as the following additional items: (include list)~~

214 ~~Items on board which are on hire or owned by third parties, listed as follows, are excluded from~~  
215 ~~the sale without compensation: (include list)~~

216 ~~Items on board at the time of inspection which are on hire or owned by third parties, not listed~~  
217 ~~above, shall be replaced or procured by the Sellers prior to delivery at their cost and expense.~~  
218 The Buyers shall take over remaining bunkers and unused lubricating and hydraulic oils and  
219 greases in storages tanks and unopened drums **at no extra cost and pay either:**

220 (a) \* the actual net price (excluding barging expenses) as evidenced by invoices or vouchers; or

221 (b) \*the current net market price (excluding barging expenses) at the port and date of delivery  
222 of the Vessel or, if unavailable, at the nearest bunkering port;

223 ~~For the quantities taken over:~~

224 ~~Payment under this Clause shall be made at the same time and place in the same~~  
225 ~~currency as the Purchase Price.~~

226 ~~"inspection" in this Clause 7, shall mean the Buyers' inspection according to Clause 4(a) or 4(b)~~  
227 ~~(Inspection), if applicable, if the Vessel is taken over without inspection, the date of this~~

228 Agreement shall be the relevant date.

229 \*(a) and (b) are alternatives, delete whichever is not applicable. In the absence of deletions  
230 alternative (a) shall apply.

## 231 8. Documentation

232 The place of closing: **Piraeus or any other place to be agreed between the Buyers and the Sellers.**

233 (a) ~~In exchange for p~~Payment of the Purchase Price shall be conditional on the provision by the sellers of  
234 ~~the following; the Sellers shall provide the Buyers with the~~  
~~following delivery documents:~~

235 (i) Legal Bill(s) of Sale in a form recordable in the Buyers' Nominated Flag State,  
236 transferring title of the Vessel and stating that the Vessel is free from all mortgages,  
237 encumbrances and ~~maritime~~ liens (whether maritime or otherwise) or any other debts whatsoever, duly  
notarially attested  
238 and legalised, ~~or~~ apostilled or if applicable, acknowledged by a special agent of the Buyers' Nominated  
Flag State, as required by the Buyers' Nominated Flag State;

239 (ii) Evidence that all necessary corporate, shareholder and other action has has been taken by  
240 the Sellers to authorise the execution, delivery and performance of this Agreement;

241 (iii) Power of Attorney of the Sellers appointing one or more representatives to act on behalf  
242 of the Sellers in the performance of this Agreement, duly notarially attested and legalised  
243 or apostilled (as appropriate);

244 (iv) Certificate ~~or Transcript of Registry of Ownership and Encumbrance~~ issued by the competent authorities  
of the flag state  
245 on the date of delivery evidencing he Ultimate Sellers' ownership of the Vessel and that the  
246 Vessel is free from registered encumbrances and mortgages, to be faxed or e-mailed by  
247 such authority to the closing meeting with the original to be sent to the Buyers as soon as  
248 possible after delivery of the Vessel;

249 (v) A copy of Declaration of Class or (depending on the Classification Society) a Class Maintenance  
250 Certificate issued within three(3) Banking Business Days prior to delivery confirming that the  
251 Vessel is in Class free of overdue condition/recommendation;

252 ~~(vi) Certificate of Deletion of the Vessel from the Vessel's registry or other official evidence of~~  
253 ~~deletion appropriate to the Vessel's registry at the time of delivery, or, in the event that~~  
254 ~~the registry does not as a matter of practice issue such documentation immediately, a~~  
255 ~~written undertaking by the Sellers to effect deletion from the Vessel's registry forthwith~~  
256 ~~and provide a certificate or other official evidence of deletion to the Buyers promptly and~~  
257 ~~latest within four (4) weeks after the Purchase Price has been paid and the Vessel has~~  
258 ~~been delivered;~~

259 ~~(vii) A copy of the Vessel's Continuous Synopsis Record certifying the date on which the~~  
260 ~~Vessel ceased to be registered with the Vessel's registry, or, in the event that the registry~~  
261 ~~does not as a matter of practice issue such certificate immediately, a written undertaking~~  
262 ~~from the Sellers to provide the copy of this certificate promptly upon it being issued~~  
263 ~~together with evidence of submission by the Sellers of a duly executed Form 2 stating~~  
264 ~~the date on which the Vessel shall cease to be registered with the Vessel's registry;~~

- 265 (viii) Commercial Invoice for the Vessel;
- 266 (ix) ~~Commercial Invoice(s) for bunkers, lubricating and hydraulic oils and greases;~~
- 267 ~~(x) A copy of the Sellers' letter to their satellite communication provider cancelling the~~  
268 ~~Vessel's communications contract which is to be sent immediately after delivery of the~~  
269 ~~Vessel;~~
- 270 ~~(viii) Any additional documents as may reasonably be required by the competent authorities of~~  
271 ~~the Buyers' Nominated Flag State for the purpose of registering the Vessel, each in a form acceptable to~~  
~~the Buyers' Nominated Flag State, duly notarially attested and legalised, apostilled or acknowledged by a~~  
~~special agent of the Nominated Flag State (if required); and provided the~~  
272 ~~Buyers notify the Sellers of any such documents as soon as possible after the date of~~  
273 ~~this Agreement; and~~
- 274 (viii) The Sellers' letter of confirmation that to the best of their knowledge, the Vessel is not  
275 black listed by any nation or international organisation.  
See also Clause 20 (Further Conditions Precedent).
- 276 (b) At the time of delivery the Buyers shall provide the Sellers with;
- 277 (i) Evidence that all necessary corporate, ~~shareholder~~ and other action has been taken by  
278 the Buyers to authorise the execution, delivery and performance of this Agreement; and
- 279 (ii) Power of Attorney of the Buyers ~~(if any)~~, appointing one or more representatives to act on behalf  
280 of the Buyers in the performance of this Agreement, ~~duly notarially attested and legalised~~  
281 ~~or apostilled (as appropriate);~~
- 282 (c) If any of the documents listed in Sub-clauses (a) and (b) above are not in the English  
283 language they shall be accompanied by an English translation by an authorised translator or  
284 certified by a lawyer qualified to practice in the country of the translated language.
- 285 (d) The Parties shall to the extent possible exchange copies, drafts or samples of the  
286 documents listed in Sub-clause (a) and Sub-clause (b) above for review and comment by the  
287 other party not later than **3 Business Days (or such shorter period as the Buyers may agree) prior to**  
**the Scheduled Delivery Date**, ~~(state number of days), or if left blank, nine (9) days prior to the~~  
288 ~~Vessel's intended date of readiness for delivery as notified by the Sellers pursuant to~~  
289 ~~Clause 5(b) of this Agreement.~~
- 290 ~~(e) On delivery, Concurrent with the exchange of documents in Sub-clause (a) and Sub-clause (b) above,~~  
291 the Sellers shall also hand to the Buyers the classification certificate(s) as well as all plans,  
292 drawings and manuals, (excluding ISM/ISPS manuals), which are on board the Vessel. Other  
293 certificates which are on board the Vessel shall also be handed over to the Buyers unless  
294 the Sellers are required to retain same, in which case the Buyers have the right to take copies.
- 295 (f) Other technical documentation which may be in the Sellers' possession shall promptly after  
296 delivery be forwarded to the Buyers at ~~their Sellers'~~ expense, if they so request. The Sellers may keep  
297 the Vessel's log books but the Buyers have the right to take copies of same.
- 298 (g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance  
299 confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.

300 **9. Encumbrances**

301 The Sellers warrant that the Vessel, at the time of delivery, is free from all charters,  
302 ~~other than the Bareboat Charter and the Initial Time Charter and prior to Delivery, the Existing Bareboat~~  
~~Charter~~, encumbrances, mortgages and ~~maritime~~-liens (~~whether maritime or otherwise~~), or any other debts  
whatsoever, and is not subject  
303 to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the  
304 Buyers against all consequences of claims made against the Vessel which have been incurred  
305 prior to the time of delivery.

306 **10. Taxes, fees and expenses**

307 Any taxes, fees and expenses in connection with the purchase ~~of the Vessel~~ and registration in the Buyers'  
308 Nominated Flag State ~~shall be for the Buyers' account, whereas similar charges and~~ in connection  
309 with the closing of the Sellers' register shall be for the Sellers' account.

310 **11. Condition on delivery**

311 The Vessel with everything belonging to her shall be at the Sellers' risk and expense until she is  
312 delivered to the Buyers, ~~but subject pursuant~~ to the terms and conditions of this Agreement ~~she shall be~~  
313 ~~delivered and taken over as she was at the time of inspection, fair wear and tear excepted.~~

314 However, the Vessel shall be delivered ~~on an "as is where is" basis free of cargo~~ and free of stowaways  
with her Class  
315 maintained ~~without free from all overdue~~ condition/recommendation\*, free of average damage affecting  
the Vessel's  
316 class, and with her classification certificates and national certificates, as well as all other  
317 certificates the Vessel had at the time of ~~inspection delivery~~, valid ~~and unextended~~ without  
318 condition/recommendation\* by the Classification Society or the relevant authorities at the time  
319 of delivery.

320 ~~"inspection" in this Clause 11, shall mean the Buyers' inspection according to Clause 4(a) or~~  
321 ~~4(b) (inspections), if applicable. if the Vessel is taken over without inspection, the date of this~~  
322 ~~Agreement shall be the relevant date.~~

323 ~~\*Notes and memoranda, if any, in the surveyor's report which are accepted by the Classification~~  
324 ~~Society without condition/recommendation are not to be taken into account.~~

325 **12. Name/markings**

326 ~~Upon delivery the Buyers undertake to change the name of the Vessel and alter funnel~~  
327 ~~markings.~~

328 **13. Buyers' default**

329 ~~Should the Deposit not be lodged in accordance with Clause 2 (Deposit), the Sellers have the~~  
330 ~~right to cancel this Agreement, and they shall be entitled to claim compensation for their losses~~  
331 ~~and for all expenses incurred together with interest.~~  
332 ~~Should the Purchase Price not be paid in accordance with Clause 3 (Payment), this Agreement (in the~~  
~~absence of a Termination Event and further provided that such failure to pay the Purchase Price~~  
~~is not caused by the Sellers' action or omission under the Bareboat Charter), the Sellers~~  
333 ~~have the right to cancel this Agreement, in which case it shall terminate whereupon all the Buyers'~~  
~~liabilities hereunder shall be extinguished. the Deposit together with interest~~

334 earned, if any, shall be released to the Sellers. If the Deposit does not cover their loss, the  
335 Sellers shall be entitled to claim further compensation for their losses and for all expenses  
336 incurred together with interest.

#### 337 14. Sellers' default

338 Should the Sellers fail to give Notice of Readiness in accordance with Clause 5(b) or fail to be  
339 ready to validly complete a legal transfer by the Cancelling Date the Buyers shall have the  
340 option of cancelling this Agreement. If after Notice of Readiness has been given but before  
341 the Buyers have taken delivery, the Vessel ceases to be physically ready for delivery and is not  
342 made physically ready again by the Cancelling Date and new Notice of Readiness given, the  
343 Buyers shall retain their option to cancel. ~~In the event that the Buyers elect to cancel this  
344 Agreement, the Deposit together with interest earned, if any, shall be released to them  
345 immediately.~~

346 Without prejudice to any of the rights the Buyers may have under the Leasing Documents, at law or  
347 otherwise, Should the Sellers fail to give Notice of Readiness by the Cancelling Date or fail to be ready to  
348 validly complete a legal transfer as aforesaid they shall make due compensation to the Buyers  
349 for their loss and for all expenses together with interest ~~if their failure is due to prevent  
negligence~~ and whether or not the Buyers cancel this Agreement.

#### 350 15. Buyers' representatives

351 ~~After this Agreement has been signed by the Parties and the Deposit has been lodged, the  
352 Buyers have the right to place two (2) representatives on board the Vessel at their sole risk and  
353 expense.~~

354 ~~These representatives are on board for the purpose of familiarisation and in the capacity of  
355 observers only, and they shall not interfere in any respect with the operation of the Vessel. The  
356 Buyers and the Buyers' representatives shall sign the Sellers' P&I Club's standard letter of  
357 indemnity prior to their embarkation.~~

#### 358 16. Law and Arbitration See Clause 30 (Governing Law and Enforcement)

359 ~~(a) \*This Agreement shall be governed by and construed in accordance with English law and  
360 any dispute arising out of or in connection with this Agreement shall be referred to arbitration in  
361 London in accordance with the Arbitration Act 1996 or any statutory modification or re  
362 enactment thereof save to the extent necessary to give effect to the provisions of this Clause.~~

363 ~~The arbitration shall be conducted in accordance with the London Maritime Arbitrators  
364 Association (LMAA) Terms current at the time when the arbitration proceedings are  
365 commenced.~~

366 ~~The reference shall be to three arbitrators. A party wishing to refer a dispute to arbitration shall  
367 appoint its arbitrator and send notice of such appointment in writing to the other party requiring  
368 the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and  
369 stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own  
370 arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the  
371 other party does not appoint its own arbitrator and give notice that it has done so within the  
372 fourteen (14) days specified, the party referring a dispute to arbitration may, without the  
373 requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator  
374 and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on  
375 both Parties as if the sole arbitrator had been appointed by agreement.~~

376 In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the  
377 arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at  
378 the time when the arbitration proceedings are commenced.

379 ~~(b) \*This Agreement shall be governed by and construed in accordance with Title 9 of the~~  
380 ~~United States Code and the substantive law (not including the choice of law rules) of the State~~  
381 ~~of New York and any dispute arising out of or in connection with this Agreement shall be~~  
382 ~~referred to three (3) persons at New York, one to be appointed by each of the parties hereto,~~  
383 ~~and the third by the two so chosen; their decision or that of any two of them shall be final, and~~  
384 ~~for the purposes of enforcing any award, judgment may be entered on an award by any court of~~  
385 ~~competent jurisdiction. The proceedings shall be conducted in accordance with the rules of the~~  
386 ~~Society of Maritime Arbitrators, Inc.~~

387 In cases where neither the claim nor any counterclaim exceeds the sum of US\$ 100,000 the  
388 arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the  
389 Society of Maritime Arbitrators, Inc.

390 ~~(c) This Agreement shall be governed by and construed in accordance with the laws of~~  
391 ~~(state place) and any dispute arising out of or in connection with this Agreement shall be~~  
392 ~~referred to arbitration at (state place), subject to the procedures applicable there.~~

393 ~~\*16(a), 16(b) and 16(c) are alternatives; delete whichever is not applicable, in the absence of~~  
394 ~~deletions, alternative 16(a) shall apply.~~

395 **17. Notices See Clause 26 (Notices)**

396 ~~All notices to be provided under this Agreement shall be in writing.~~

397 ~~Contact details for recipients of notices are as follows:~~

398 ~~For the Buyers:~~

399 ~~For the Sellers:~~

400 **18. Entire Agreement**

401 The written terms of this Agreement (together with the other Leasing Documents) comprise the entire  
402 agreement between the Buyers and  
403 the Sellers in relation to the sale and purchase of the Vessel and supersede all previous  
agreements whether oral or written between the Parties in relation thereto.

404 Each of the Parties acknowledges that in entering into this Agreement it has not relied on and  
405 shall have no right or remedy in respect of any statement, representation, assurance or  
406 warranty (whether or not made negligently) other than as is expressly set out in this Agreement.

407 Any terms implied into this Agreement by any applicable statute or law are hereby excluded to  
408 the extent that such exclusion can legally be made. Nothing in this Clause shall limit or exclude  
409 any liability for fraud.



For and on behalf of the Sellers

Name: Maria Trivela

Title: Attorney-in-fact

For and on behalf of the Buyers

Name:

Title:

Copyright © 2012 Norwegian Shipbrokers' Association. All rights reserved. Published by BIMCO. No part of this **BIMCO SmartCon** document may be copied, reproduced or distributed in any form without the prior written permission of the Norwegian Shipbrokers' Association. Explanatory notes are available from BIMCO at [www.bimco.org](http://www.bimco.org). Adopted by BIMCO in 1956, revised 1966, 1983, 1986/87, 1993 and 2012.

For and on behalf of the Sellers

Name: Maria Trivela

Title: Attorney-in-fact



For and on behalf of the Buyers

Name:

**CHEN SILIN**  
**Attorney-in-Fact**

Title:

Copyright © 2012 Norwegian Shipbrokers' Association. All rights reserved. Published by BIMCO. No part of this **BIMCO SmartCon** document may be copied, reproduced or distributed in any form without the prior written permission of the Norwegian Shipbrokers' Association. Explanatory notes are available from BIMCO at [www.bimco.org](http://www.bimco.org). Adopted by BIMCO in 1956, revised 1966, 1983, 1986/87, 1993 and 2012.



**ADDITIONAL CLAUSES TO MEMORANDUM OF AGREEMENT  
DATED 23 October 2022**

**CLAUSE 19      PAYMENT OF PURCHASE PRICE**

- (a) Subject to the provisions of this Agreement:
- (i) the Sellers shall sell and transfer all rights, title and interest in the Vessel absolutely, with full title guarantee, to the Buyers on the Delivery Date; and
  - (ii) the Buyers shall pay the Purchase Price for the purchase of the Vessel from the Sellers upon the terms and conditions set out herein, provided that the Buyers' obligation to pay on the Delivery Date:
    - (A) such portion of the Purchase Price which is equal to the Upfront Charterhire under the Bareboat Charter shall, if the Set-off Option (Upfront Charterhire) is exercised by the Sellers (as charterers) under the Bareboat Charter, be set off against the obligation of the Sellers (in their capacity as charterers) to pay the Upfront Charterhire to the Buyers (in their capacity as owners) under the Bareboat Charter;
    - (B) such portion of the Purchase Price which is equal to the first instalment of Charterhire under the Bareboat Charter shall, if the Set-off Option (First Charterhire Instalment) is exercised by the Sellers (as charterers) under the Bareboat Charter, be set off against the obligation of the Sellers (in their capacity as charterers) to pay such first instalment of Charterhire to the Buyers (in their capacity as owners) under the Bareboat Charter; and
    - (C) such portion of the Purchase Price which is equal to the Upfront Fee shall, if the Set-off Option (Upfront Fee) is exercised by the Sellers (as charterers) under the Bareboat Charter, be set off against the obligation of the Sellers (in their capacity as charterers) to pay the Upfront Fee to the Buyers (in their capacity as owners) under the Bareboat Charter,
- such that the Buyers shall only be required to remit an amount equal to the Net Purchase Price in accordance with this Clause 19 and the same shall constitute full payment of the Purchase Price by the Buyers to the Sellers.
- (b) The Sellers hereby acknowledge that the Buyers are relying on the Sellers in all respects to check all matters concerning the Vessel, its safety, condition, quality and to ensure that the Vessel is fit for purpose.
- (c) In consideration of the Sellers agreeing to sell the Vessel to the Buyers, the Buyers hereby agree to pay the Sellers the Purchase Price as follows (unless otherwise agreed in writing between the Buyers and the Sellers):
- (i) by remitting such portion of the Net Purchase Price equal to the Repurchase Amount on a date falling no more than one (1) Business Day (or such earlier date as may be agreed between the Buyers and the Sellers) prior to the Scheduled Delivery Date (the "**Prepositioning Date**"), either:

- (A) to the Sellers' Bank (Repurchase) on an unallocated basis pursuant to the Conditional Payment Instructions only to be released to the Sellers' Designated Account (Repurchase) against presentation to the Sellers' Bank (Repurchase) of a copy of the protocol of delivery and acceptance duly signed executed by the authorised representatives of the Sellers (as buyers) and the Ultimate Sellers (as sellers) and countersigned by the Buyers; or
  - (B) to an escrow account opened with the Escrow Agent's Bank in the name of the Escrow Agent to be held by the Escrow Agent pursuant to an Escrow Agreement only be released to the Sellers' Designated Account (Escrow Repurchase) against presentation to the Escrow Agent of a copy of the protocol of delivery and acceptance duly signed executed by the authorised representatives of the Sellers (as buyers) and the Ultimate Sellers (as sellers) and countersigned by the Buyers;
- (ii) by remitting the balance of the Net Purchase Price (such balance, the "**Balance Amount**", being the amount remaining after deducting the Repurchase Amount from the Net Purchase Price) (if any) by wire transfer on a date (the "**Balance Payment Date**") (which shall be on the third (3<sup>rd</sup>) Business Day or on a Business Day falling no more than three Business Days after the Delivery Date) to the Sellers' Designated Account (Balance) as requested by the Sellers to the Buyers pursuant to a notice in writing in form and substance as may be required by the Buyers from time to time (such notice, the "**Balance Amount Payment Notice**"),

provided that:

- (1) Delivery takes place on or before the Cancelling Date;
- (2) no Potential Termination Event or Termination Event has occurred and is continuing on the date of a Payment Notice, the Prepositioning Date, the Delivery Date and (if applicable) the Balance Payment Date;
- (3) the Sellers shall issue a Payment Notice (which shall be irrevocable once issued unless otherwise agreed by the Buyers) requesting the payment of the relevant portion of the Net Purchase Price to the Buyers in the manner set out in this Clause 19, provided that the conditions precedent set out in Clause 20 (*Further conditions precedent*) are fulfilled to the satisfaction of the Buyers or otherwise waived and/or deferred on such terms and conditions as the Buyers may require in their absolute discretion, on or before the issuance of a Payment Notice;
- (4) the Scheduled Delivery Date set out in the relevant Payment Notice falls within the Availability Period and no earlier than seven (7) Business Days (or such shorter period as agreed between the Buyers and the Sellers) after the date such Payment Notice is issued;
- (5) the conditions precedent set out in Part B of Schedule II of the Bareboat Charter are fulfilled to the satisfaction of the Buyers (in their capacity as Owners under the Bareboat Charter) or otherwise waived and/or deferred on such terms and conditions as the Buyers may require in their absolute discretion, on or before 0900 hrs (Shanghai time)(or such later time as the Buyers may agree with the Sellers) at least one Business Day prior to the Prepositioning Date whereupon the Buyers shall remit such portion of the Net Purchase Price as is equal to the Repurchase Amount in accordance with Clause 19(c)(i); and

- (6) the conditions precedent set out in Part C of Schedule II of the Bareboat Charter are fulfilled to the satisfaction of the Buyers (in their capacity as Owners under the Bareboat Charter) or otherwise waived and/or deferred on such terms and conditions as the Buyers may require in their absolute discretion, on or before 1000 hrs (Shanghai time) (or such later time as the Buyers may agree with the Sellers) on the Delivery Date whereupon the protocol of delivery and acceptance shall be duly executed by the authorised representatives of the Sellers (as buyers) and the Ultimate Sellers (as sellers) and countersigned by the Buyers and be presented to the Sellers' Bank (Repurchase) or the Escrow Agent (as the case may be) for the release for the portion of the Net Purchase Price as is equal to the Net Purchase Price in accordance with the Conditional Payment Instructions or the Escrow Agreement (as the case may be); and
- (7) each of the conditions precedent set out in the foregoing paragraphs are fulfilled to the satisfaction of the Buyers (in their capacity as Owners under the Bareboat Charter) or otherwise waived and/or deferred on such terms and conditions as the Buyers may require in their absolute discretion, on or before 1000 hrs (Shanghai time) (or such later time as the Buyers may agree with the Sellers) on the Balance Payment Date.
- (d) The Sellers hereby irrevocably and unconditionally undertake that if more than 2 calendar days shall have elapsed from the Prepositioning Date and neither of the dates referred to in paragraphs (i) and (ii) below have occurred, they shall pay interest to the Buyers on such portion of the Net Purchase Price remitted by the Buyers pursuant to Clause 19(c)(i) and such interest shall accrue for each day during the period commencing from (and including) the Prepositioning Date up to and including:
  - (i) the Delivery Date; or
  - (ii) if Delivery does not occur prior to the Cancelling Date, the Cancelling Date or such date on which such funds have been fully refunded to the Buyers by the Sellers' Bank (Repurchase) in accordance with the relevant Conditional Payment Instructions or the Escrow Agent in accordance with the Escrow Agreement (as the case may be)),

calculated at the prevailing overnight rate applicable for Dollars as determined by the Buyers plus the Margin, and shall be immediately payable by the Sellers to the Buyers upon the Buyers' demand.

#### **CLAUSE 20 FURTHER CONDITIONS PRECEDENT**

The conditions precedent referred to in Clause 19(c)(3) are:

- (a) the items listed in Clause 8(a)(i) to (viii);
- (b) such other documents as the Buyers may reasonably notify the Sellers as being necessary in relation to the Vessel and/or its status (including without limitation, such confirmation of no liens and/or indemnity thereto which the Buyers may require the Sellers to provide or procure in respect of the Vessel);
- (c) a certificate of an authorized signatory of the Sellers certifying that each copy document provided by Sellers to Buyers pursuant to this Agreement is correct, complete and in full force and effect as at a date no earlier than the date of the first Payment Notice; and

- (d) the Buyers being satisfied that the conditions precedent set out in part A and part B of schedule II of the Bareboat Charter have been fulfilled.

**CLAUSE 21 FURTHER REPRESENTATION AND WARRANTIES OF SELLERS**

- (a) In addition to the warranty provided by the Sellers under Clause 9 (*Encumbrances*), the Sellers represent and warrant to the Buyers that:
- (i) they are duly incorporated, validly existing and in good standing under the laws of their jurisdiction of incorporation;
  - (ii) they have the requisite power and authority to enter into and perform this Agreement and this Agreement constitutes their valid, legal and binding obligations in accordance with its terms;
  - (iii) the execution and performance by them of this Agreement will not breach or constitute a default under their constitutional documents (including their memorandum and articles of association) or any agreement, instrument, order, judgment or other restriction which binds the Sellers;
  - (iv) they have good and marketable title to the Vessel and are the sole legal and beneficial owner of the Vessel;
  - (v) the Vessel is:
    - (A) in a good and safe condition and state of repair consistent with first class ship ownership and management practice;
    - (B) is classed with the Classification Society at the highest classification available for vessels of its type and is free of all overdue recommendations or conditions; and
    - (C) has her survey cycles up-to-date and all trading and class certificates valid for at least three (3) months (or such shorter period as the Buyers may agree with the Sellers);
  - (vi) save for the Existing Security (which shall be discharged prior to Delivery), the Vessel is free from all Security Interests and they have not agreed to create any Security Interest over the Vessel (or any part of it) other than in favour of the Buyers (in their capacity as owners) under a Leasing Document;
  - (vii) all Security Interests created in connection with the Existing Bareboat Charter by the Sellers or any other party to secure the Sellers' obligations thereunder, has been, on the Delivery Date, fully discharged and released and each of the Charterers, the Shareholder and an Approved Manager have no liabilities or obligations to the Existing Owners or any other party under the Existing Bareboat Charter or any transactions or arrangements contemplated thereunder;
  - (viii) the Vessel is free of all charters (other than the Bareboat Charter and the Initial Time Charter and prior to the Delivery Date, the Existing Bareboat Charter);
  - (ix) they:
    - (A) are not a Restricted Person;

- (B) are not owned or controlled by or acting directly on behalf of or for the benefit of, a Restricted Person; and
  - (C) do not own or control a Restricted Person;
  - (x) neither they nor any of their directors, officers or employees or any person acting on their behalf have received notice or are aware of any claim, action, suit, proceeding or investigation against them with respect to Sanctions;
  - (xi) to the best of their knowledge and belief (after making due and careful enquiries), no proceeds of the Purchase Price shall be made available, directly or indirectly, to or for the benefit of a Restricted Person nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions;
  - (xii) the Call Back Form and all information (including without limitation, the identification documents and specimen signatures) provided thereunder remains true, accurate and up-to-date; and
  - (xiii) Navios Maritime Operating LLC is 100% indirectly owned by Navios Maritime Partners L.P.
- (b) Each of the representations and warranties made by the Sellers under this Clause 21 (*Further Representations and Warranties of Sellers*) shall be deemed to be made and repeated on the date of this Agreement and each day thereafter up to and on the Balance Payment Date, with reference to the facts and circumstances then existing on such date.

## **CLAUSE 22 ACCESS TO INFORMATION AND INSPECTION**

The Buyers shall be entitled to request such information that they may reasonably require in relation to the Vessel and copies of the documentation held by the Sellers relating to the Vessel, and all such information and documentation shall be delivered promptly by the Sellers to the Buyers, upon the Buyers' request.

## **CLAUSE 23 BUYERS' FURTHER RIGHTS ON TERMINATION**

If a Termination Event occurs prior to Delivery, the Buyers shall have the right (in their absolute discretion) to terminate this Agreement immediately by written notice to the Sellers and such termination shall become effective on the date of such written notification (or such other date as the Buyers may specify in such notice), whereupon:

- (a) the Buyers shall cease to have any rights or obligations in relation to each other under this Agreement, provided however that, in consideration of the Buyers entering into this Agreement and the Bareboat Charter as at the date hereof, the Buyers shall be entitled to retain all Indemnified Expenses and/or fees paid by the Sellers under this Agreement and the other Leasing Documents, and such payment and amounts is acknowledged by the Sellers to be proportionate, having regard to the legitimate interest of the Buyers, in protecting against the Buyers' risk of the Sellers failing to perform their obligations under this Agreement and the Bareboat Charter ( as the charterers thereunder) upon the terms and conditions contained herein and therein, respectively; and
- (b) the Sellers shall be obliged to immediately refund or procure that there be immediately refunded in full to the Buyers, any portion of the Purchase Price remitted or transferred by the Buyers under this Agreement, as at the date of such termination.

## **CLAUSE 24      PHYSICAL PRESENCE**

If there is any change in the flag state from the Flag State at the date of this Agreement and such new Flag State requires the Buyers to register itself and/or have a physical presence or office or be otherwise registered in the jurisdiction of such Flag State, all fees, costs and expenses arising out of or in connection with such registration and/or the establishment and maintenance of such physical presence or office or registration by the Buyers shall be borne by the Sellers.

## **CLAUSE 25      INDEMNITIES**

- (a) In consideration of the Buyers entering into this Agreement and the Bareboat Charter as at the date hereof, the Sellers shall indemnify and pay such amounts to the Buyers in respect of all costs, claims, expenses, liabilities, losses, damages and fees (including but not limited to any legal fees, vessel registration and tonnage fees) suffered or incurred by or imposed on the Buyers arising from this Agreement, or in connection with the Delivery, registration, purchase and inspection of the Vessel by the Buyers whether prior to, during or after termination of this Agreement, or in connection with or resulting from the funding or payment of all or any portion of the Purchase Price regardless of whether a Payment Notice has already been issued or not, or arising in connection with the issuance of the Conditional Payment Instructions or the execution and/or performance of any transactions contemplated under the Escrow Agreement and funding pursuant thereto, or if any portion of the Purchase Price has been remitted but not released in accordance with the Conditional Payment Instructions or the Escrow Agreement for any reason whatsoever (other than as a sole and direct result of the Buyers' wilful misconduct or gross negligence), or whether the Vessel is in the possession of or the control of the Sellers, or otherwise or the Delivery not taking place after a Payment Notice is issued.
- (b) Notwithstanding anything to the contrary herein, the indemnities provided by the Sellers shall be provided in favour of the Buyers and shall continue in full force and effect notwithstanding any breach by the Sellers of the terms of this Agreement or termination of this Agreement by the Buyers pursuant to the terms hereof.

## **CLAUSE 26      NOTICES**

Any notice, certificate, demand or other communication to be served, given, made or sent under or in relation to this Agreement shall be in English and in writing and (without prejudice to any other valid method or giving, making or sending the same) shall be deemed sufficiently given or made or sent if sent by registered post or by email to the following respective addresses:

(A) to the Buyers: **c/o BANK OF COMMUNICATIONS FINANCIAL LEASING CO., LTD.**

Room 03-04,  
27/F, 333 Luijiazu Ring Road  
Pudong New Area  
Shanghai 200120  
The People's Republic of China

Attention: FAN Linna / WANG Changzhen

Email: [fan.ln@bocommleasing.com](mailto:fan.ln@bocommleasing.com) /  
[wang.changzhen@bocommleasing.com](mailto:wang.changzhen@bocommleasing.com)

(B) to the Sellers: **c/o NAVIOS CONTAINERS MANAGEMENT INC.**

85 Akti Miaouli, 18535, Piraeus, Greece

Attention: Vasiliki Papaefthymiou

Email: [vpapaefthymiou@navios.com](mailto:vpapaefthymiou@navios.com) /  
[legal\\_corp@navios.com](mailto:legal_corp@navios.com)

Fax: +30 210 41 72 070

or, if a party hereto changes its address or email address, to such other address (or email address) as that party may notify to the other.

#### **CLAUSE 27 NO WAIVER OF RIGHTS**

- (a) No neglect, delay, omission or indulgence on the part of a Party in enforcing the terms and conditions of this Agreement shall prejudice the strict rights of such Party or be construed as a waiver thereof nor shall any single or partial exercise of any right of either party preclude any other or further exercise thereof.
- (b) No right or remedy conferred upon a Party by this Agreement shall be exclusive of any other right or remedy provided for herein or by law and all such rights and remedies shall be cumulative.

#### **CLAUSE 28 ASSIGNMENT AND TRANSFER**

Each of the Buyers and the Sellers may only assign or transfer (whether by novation or otherwise) their rights and/or obligations under this Agreement, to the extent it may do so under the Bareboat Charter.

#### **CLAUSE 29 MISCELLANEOUS**

- (a) Unless otherwise expressly stated to the contrary in this Agreement, any payment which is due to be made on a day which is not a Business Day shall be made on the preceding Business Day instead.
- (b) If, at any time, any provision of this Agreement 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.

- (c) The Sellers waive any rights of sovereign immunity which they or any of their assets may enjoy in any jurisdiction and subjects itself to civil and commercial law with respect to their obligations under this Agreement.
- (d) No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.
- (e) This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

### **CLAUSE 30 GOVERNING LAW AND ENFORCEMENT**

- (a) This Agreement and any non-contractual obligations arising under or in connection with it, shall be governed by and construed in accordance with English law.
- (b) Any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**") shall be referred to and finally resolved by 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 30 (*Governing Law and Enforcement*). 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.
- (c) The reference shall be to three (3) arbitrators. A party wishing to refer a Dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other party requiring the other party to appoint its own arbitrator within fourteen (14) calendar days of that notice and stating that it will appoint its arbitrator as sole arbitrator unless the other party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the party referring a Dispute to arbitration may, without the requirement of any further prior notice to the other party, appoint its arbitrator as sole arbitrator and shall advise the other party accordingly. The award of a sole arbitrator shall be binding on both parties as if he had been appointed by agreement. Nothing herein shall prevent the parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.
- (d) Where the reference is to three arbitrators the procedure for making appointments shall be in accordance with the procedure for full arbitration stated above.
- (e) The language of the arbitration shall be English.

### **CLAUSE 31 DEFINITIONS**

Unless otherwise specified hereunder, capitalised terms in this Agreement shall have the same meaning as defined in the Bareboat Charter:

"**Availability Period**" means the period commencing from the date of this Agreement up to and including the earliest of:



- (a) the date on which the Bareboat Charter is repudiated, rescinded, terminated or cancelled pursuant to the terms thereof or otherwise ceases to be valid and enforceable against the parties thereto for any reason whatsoever; and
- (b) the Cancelling Date.

“**Balance Amount**” has the meaning given to such term under Clause 19(c)(ii).

“**Balance Payment Date**” shall have the meaning given to it under Clause 19(c)(ii).

“**Bareboat Charter**” means the bareboat charterparty in respect of the Vessel dated on or about the date hereof and entered into between the Buyers as owners and the Sellers as bareboat charterers.

“**Call Back Form**” means the form setting out the contact and other relevant information in respect of the Sellers attached hereto as Appendix A (*Call Back Form*) signed by one officer or attorney-in-fact of the Sellers, as the same may be amended, supplemented and/or replaced from time to time or such other form as may be acceptable to the Buyers.

“**Cancelling Date**” means 30 November 2022 or such later date as may be agreed by the Buyers acting in their absolute discretion.

“**Conditional Payment Instructions**” means the conditional payment instructions to the Sellers’ Bank (Repurchase) in the form of a SWIFT MT 199 and MT 103 or such other form as agreed between the Buyers and the Sellers.

“**Delivery**” means the transfer of the legal and beneficial interest in the Vessel from the Sellers to the Buyers pursuant to the terms of this Agreement.

“**Delivery Date**” means the date on which Delivery occurs.

“**Dispute**” shall have the meaning given to it under Clause 30 (*Governing Law and Enforcement*).

“**Escrow Agent**” means an international law firm or such other party acceptable to the Buyers and the Sellers.

“**Escrow Agent’s Bank**” means such bank as may be acceptable to the Buyers, as designated by the Sellers in the relevant Payment Notice.

“**Escrow Agreement**” means an escrow agreement entered into between the Buyers, the Sellers and the Escrow Agent, in form and substance acceptable to the Buyers and the Sellers.

“**Indemnified Expenses**” means any costs, expenses and/or liabilities of the Buyers indemnified by the Sellers under this Agreement.

“**Initial Market Value**” means the market value of the Vessel (as determined no earlier than 20 Business Days prior to the Scheduled Delivery Date by an independent Approved Valuer agreed by the Buyers and the Sellers).

“**Net Purchase Price**” means the Purchase Price less the aggregate of:

- (a) if the Set-Off Option (Upfront Charterhire) is exercised by the Sellers under the Bareboat Charter, an amount equal to the Upfront Charterhire;
- (b) if the Set-Off Option (First Charterhire Instalment) is exercised by the Sellers under the Bareboat Charter, an amount equal to the first instalment of Charterhire payable under the Bareboat Charter; and
- (c) if the Set-Off Option (Upfront Fee) is exercised by the Sellers under the Bareboat Charter, an amount equal to the Upfront Fee.

“**Party**” means a party to this Agreement.

“**Payment Notice**” means the notice to be submitted by the Sellers to the Buyers to request for the Buyers’ payment of any part of the Purchase Price, which shall be in the form set out in Schedule 1 or such other form as may be agreed between the Buyers and the Sellers (in the case of the Repurchase Amount) or the Balance Amount Payment Notice (in the case of the Balance Amount).

“**Positioning Date**” has the meaning ascribed to it under Clause 19(c)(i)(A).

“**Purchase Price**” means the lower of:

- (a) the Initial Market Value; and
- (b) US\$11,000,000.

“**Repurchase Amount**” means the amount required to be paid by the Sellers to the Ultimate Sellers (or its nominee) for the purchase by the Sellers from the Ultimate Sellers of the Vessel, as specified by the Sellers in the relevant Payment Notice.

“**Scheduled Delivery Date**” means the scheduled date of delivery of the Vessel as set out in the relevant Payment Notice.

“**Sellers’ Bank (Balance)**” means ABN AMRO NV ROTTERDAM or such other bank as may be acceptable to the Buyers, as designated by the Sellers in the relevant Payment Notice.

“**Sellers’ Bank (Repurchase)**” means China Minsheng Banking Corp., Ltd., Hong Kong Branch or such other bank as may be acceptable to the Buyers, as designated by the Sellers in the relevant Payment Notice.

“**Sellers’ Designated Account (Balance)**” means the account of the Sellers (or their nominee, NAVIOS MARITIME OPERATING LLC) with the Sellers’ Bank (Balance) into which the Buyers are required to pay the Balance Amount to the Sellers (or its nominee) after the Delivery Date, as designated by the Sellers in the relevant Payment Notice.

“**Sellers’ Designated Account (Escrow Repurchase)**” means the account opened with the Escrow Agent’s Bank into which the funds held in escrow by the Escrow Agent are to be released to the Ultimate Sellers (or its nominee) pursuant to the Escrow Agreement, as designated by the Sellers in the relevant Payment Notice.

“**Sellers’ Designated Account (Repurchase)**” means the account opened with the Sellers’ Bank (Repurchase) into which the Sellers are required to pay the portion of the Purchase Price to the Ultimate Sellers (or its nominee) for the Sellers’ purchase of the Vessel from the Ultimate Sellers, as designated by the Sellers in the relevant Payment Notice.

“**Set-off Option (First Charterhire Instalment)**” means the option of the Sellers (in their capacity as charterers) described in clause 36.5 of the Bareboat Charter permitting the Sellers to set-off

their obligation to pay the first instalment of Charterhire to the Buyers (in their capacity as owners) under the Bareboat Charter against the obligation of the Buyers to pay to the Sellers such portion of the Purchase Price equal to that first instalment of Charterhire.

**“Set-off Option (Upfront Charterhire)”** means the option of the Sellers (in their capacity as charterers) described in clause 36.3 of the Bareboat Charter permitting the Sellers to set-off their obligation to pay the Upfront Charterhire to the Buyers (in their capacity as owners) under the Bareboat Charter against the obligation of the Buyers to pay to the Sellers such portion of the Purchase Price equal to the Upfront Charterhire.

**“Set-off Option (Upfront Fee)”** means the option of the Sellers (in their capacity as charterers) described in clause 41.2 of the Bareboat Charter permitting the Sellers to set-off their obligation to pay the Upfront Fee to the Buyers (in their capacity as owners) under the Bareboat Charter against the obligation of the Buyers to pay to the Sellers such portion of the Purchase Price equal to the Upfront Fee.


**“Ultimate Sellers”** means Ocean Dazzle Shipping Limited.

**BUYERS**

**SIGNED**

by **Chen Silin**  
as an attorney-in-fact  
for and on behalf of  
**LONGSHI INTERNATIONAL SHIP LEASE CO., LIMITED**  
in the presence of:

)  
)  
)  
)  
)  
)  
)



Witness' signature:  
Witness' name:  
Witness' address:

  
**Kit Tung Kotman Kuan**  
Watson Farley & Williams LLP  
Suites 4610-4619 Jardine House  
1 Connaught Place, Hong Kong

)  
)  
)

**SELLERS**

**SIGNED**

by Maria Trivela  
as an attorney-in-fact  
for and on behalf of  
**EVIAN SHIPTRADE LTD**  
in the presence of:

)  
)  
)  
)  
)  
)

Witness' signature:  
Witness' name:  
Witness' address:

)  
)  
)

**BUYERS**

**SIGNED**  
by  
as an attorney-in-fact  
for and on behalf of  
**LONGSHI INTERNATIONAL SHIP LEASE CO., LIMITED**  
in the presence of:

)  
)  
)  
)  
)  
)

Witness' signature:  
Witness' name:  
Witness' address:

)  
)  
)

**SELLERS**

**SIGNED**  
by Maria Trivela  
as an attorney-in-fact  
for and on behalf of  
**EVIAN SHIPTRADE LTD**  
in the presence of:

)  
)  
)  
)  
)  
)

Witness' signature:  
Witness' name:  
Witness' address:

)  
)  
)



*Aikaterina*  
**AIKATERINA DIMITRIOU**  
**WATSON FARLEY & WILLIAMS**  
348 SYNGROU AVENUE  
17674 KALLITHEA  
ATHENS - GREECE

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

<u>Index</u>	<u>Page</u>
UNAUDITED CONDENSED COMBINED BALANCE SHEETS AS AT JUNE 30, 2022 AND DECEMBER 31, 2021	F-2
UNAUDITED CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2022 AND 2021	F-3
UNAUDITED CONDENSED COMBINED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2022 AND 2021	F-4
UNAUDITED CONDENSED COMBINED STATEMENTS OF CHANGES IN NET PARENT COMPANY INVESTMENT FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2022 AND 2021	F-5
NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (UNAUDITED)	F-6

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**CONDENSED COMBINED BALANCE SHEETS**  
(Expressed in thousands of U.S. dollars)

	Notes	June 30, 2022 (unaudited)	December 31, 2021 (unaudited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 6,818	\$ 224
Restricted cash	3	8,716	—
Accounts receivable, net		7,016	9,186
Inventories		3,338	3,052
Prepaid expenses and other current assets		9,057	9,986
<b>Total current assets</b>		<b>34,945</b>	<b>22,448</b>
Vessels and other fixed assets, net	4	417,447	427,386
Deferred dry dock and special survey costs, net		24,983	23,467
Other long-term assets		35,690	35,689
Finance lease assets	10	19,254	—
Operating lease assets	10	141,970	164,267
Intangible assets other than goodwill	5	42,621	44,015
Goodwill		56,240	56,240
<b>Total non-current assets</b>		<b>738,205</b>	<b>751,064</b>
<b>Total assets</b>		<b>\$ 773,150</b>	<b>\$ 773,512</b>
<b>LIABILITIES AND NET PARENT COMPANY INVESTMENT</b>			
<b>Current liabilities</b>			
Accounts payable		\$ 5,250	\$ 6,234
Accrued expenses and other liabilities		2,904	690
Deferred income and cash received in advance		5,024	6,703
Operating lease liabilities, current portion	10	51,745	54,490
Due to related parties, net	9	44,795	216,643
Current portion of long-term debt, net	6, 7	55,434	11,940
Finance lease liability, current portion	10	1,900	—
<b>Total current liabilities</b>		<b>167,052</b>	<b>296,700</b>
Long-term debt, net of current portion	6, 7	265,223	101,701
Finance lease liability, net of current portion	10	15,385	—
Due to related parties, net of current portion	9	—	190,575
Operating lease liabilities, net of current portion	10	110,823	135,338
<b>Total non-current liabilities</b>		<b>391,431</b>	<b>427,614</b>
<b>Total liabilities</b>		<b>558,483</b>	<b>724,314</b>
<b>Commitments and contingencies</b>	8	—	—
<b>Net parent company investment</b>		<b>214,667</b>	<b>49,198</b>
<b>Total liabilities and net parent company investment</b>		<b>\$ 773,150</b>	<b>\$ 773,512</b>

See unaudited condensed notes to condensed combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of U.S. dollars)

	<u>Notes</u>	<u>Six Month Period Ended June 30, 2022 (unaudited)</u>	<u>Six Month Period Ended June 30, 2021 (unaudited)</u>
Revenue	1	\$ 158,691	\$ 117,144
Time charter and voyage expenses		(32,265)	(32,983)
Direct vessel expenses		(22,781)	(19,703)
General and administrative expenses	9	(7,497)	(6,382)
Depreciation and amortization	4, 5	(13,072)	(12,753)
Interest expense and finance cost, net		(10,427)	(19,449)
Gain on bond extinguishment, net	9	—	1,873
Other expense, net		(1,620)	(1,046)
<b>Income before taxes</b>		<b>\$ 71,029</b>	<b>\$ 26,701</b>
Income tax expense		(39)	(49)
<b>Net income</b>		<b>\$ 70,990</b>	<b>\$ 26,652</b>

See unaudited condensed notes to condensed combined financial statements



**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**CONDENSED COMBINED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of U.S. dollars)

	<u>Notes</u>	<u>Six Month Period Ended June 30, 2022 (unaudited)</u>	<u>Six Month Period Ended June 30, 2021 (unaudited)</u>
<b>OPERATING ACTIVITIES:</b>			
Net income		\$ 70,990	\$ 26,652
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Non-cash adjustments		18,136	14,484
Decrease/(increase) in operating assets		1,500	(1,446)
Increase/(decrease) in operating liabilities		3,002	(17,309)
Payments for drydock and special survey costs	9	(5,344)	(11,464)
<b>Net cash provided by operating activities</b>		<b>88,284</b>	<b>10,917</b>
<b>INVESTING ACTIVITIES:</b>			
Deposits for vessel acquisition		(2,002)	—
Acquisition of/additions to vessels	4	(1,576)	(3,708)
<b>Net cash used in investing activities</b>		<b>(3,578)</b>	<b>(3,708)</b>
<b>FINANCING ACTIVITIES:</b>			
Repayment of long-term debt and payment of principal	6	(28,829)	(12,716)
Proceeds from long-term loans	6	237,725	—
Debt issuance costs		(1,425)	—
Repayment of finance lease liability	10	(130)	—
Net transfers (to)/from parent company		94,479	14,972
Net debt repayments to related parties		(371,216)	(12,454)
<b>Net cash used in financing activities</b>		<b>(69,396)</b>	<b>(10,198)</b>
<b>Increase/(decrease) in cash and cash equivalents and restricted cash</b>		<b>15,310</b>	<b>(2,989)</b>
<b>Cash and cash equivalents and restricted cash, beginning of period</b>		<b>224</b>	<b>3,767</b>
<b>Cash and cash equivalents and restricted cash, end of period</b>	<b>3</b>	<b>\$ 15,534</b>	<b>\$ 778</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>			
<b>Non-cash investing and financing activities</b>			
Cash paid for interest, net of capitalized interest		\$ 22,386	\$ 18,948
Lease modification	10	\$ 19,417	\$ —

See unaudited condensed notes to condensed combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**CONDENSED COMBINED STATEMENTS OF CHANGES IN NET PARENT COMPANY INVESTMENT**  
**(Expressed in thousands of U.S. dollars)**

	Net Parent Company Investment
<b>Balance December 31, 2021</b>	<b>\$ 49,198</b>
Net income for the period	70,990
Net transactions with parent	94,479
<b>Balance June 30, 2022</b>	<b><u>\$ 214,667</u></b>
	Net Parent Company Investment
<b>Balance December 31, 2020</b>	<b>\$ (8,636)</b>
Net income for the period	26,652
Net transactions with parent	14,972
<b>Balance June 30, 2021</b>	<b><u>\$ 32,988</u></b>

See unaudited condensed notes to condensed combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**UNAUDITED CONDENSED NOTES TO THE**  
**CONDENSED COMBINED FINANCIAL STATEMENTS**  
**(Expressed in thousands of U.S. dollars)**

**NOTE 1: DESCRIPTION OF BUSINESS**

On July 26, 2022, Navios Maritime Holdings Inc. (“Navios Holdings” or “Parent”) agreed to sell its 36-vessel dry bulk fleet, of which 25 are owned (including five bareboat-in vessels) and 11 are chartered-in under long-term charters (the “Dry Bulk Group”), for an aggregate consideration of \$835,000 consisting of cash and the assumption of bank debt and finance leases related to the vessels and subject to working capital adjustment at closing (the “Transaction”), to Navios Maritime Partners L.P. (“Navios Partners”). The financial information of the 36-vessels dry bulk fleet combined in these financial statements shall hereafter be referred to as the “Combined Dry Bulk Group” or “Group”. Prior to the Transaction, Navios Holdings was a global seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities, including iron ore, coal and grain.

For further information see Note 11 “Subsequent Events” in the condensed combined financial statements.

These accompanying condensed combined financial statements present, on a historical cost basis, the combined assets, liabilities, revenues, expenses of the Dry Bulk Group, consisting of a fleet of 36-vessels of Navios Holdings, as of June 30, 2022 and December 31, 2021, on the basis of common control.

The Combined Dry Bulk Group consists of the following entities:

<b>Group Name</b>	<b>Nature</b>	<b>Country of Incorporation</b>	<b>2022</b>	<b>2021</b>
Navios International Inc.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Bulkinvest S.A.	Operating Group	Luxembourg	1/1 - 06/30	1/1 - 12/31
Kleimar N.V.	Operating Group/ Vessel Owning	Belgium	1/1 - 06/30	1/1 - 12/31
Shikhar Ventures S.A.	Vessel Owning Group	Liberia	1/1 - 06/30	1/1 - 12/31
Vernazza Shiptrade Inc.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Faith Marine Ltd.	Vessel Owning Group	Liberia	1/1 - 06/30	1/1 - 12/31
Rumer Holding Ltd.	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Corsair Shipping Ltd.	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
White Narcissus Marine S.A.	Vessel Owning Group	Panama	1/1 - 06/30	1/1 - 12/31
Red Rose Shipping Corp.	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Ducale Marine Inc.	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Pharos Navigation S.A.	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Roselite Shipping Corporation	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Thalassa Marine S.A.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Asteroid Shipping S.A.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Cloud Atlas Marine S.A.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Rider Shipmanagement Inc.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Talia Shiptrade S.A.	Operating Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Opal Shipping Corporation	Vessel Owning Group	Marshall Is.	1/1 - 06/30	06/30 - 12/31
Highbird Management Inc.	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Moonstone Shipping Corporation	Vessel Owning Group	Marshall Is.	1/1 - 06/30	06/30 - 12/31
NAV Holdings Limited	Sub Holding Group	Malta	1/1 - 06/30	1/1 - 12/31
Iris Shipping Corporation	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Jasmine Shipping Corporation	Vessel Owning Group	Marshall Is.	1/1 - 06/30	1/1 - 12/31
Pueblo Holdings Ltd.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Anafi Shipping Corporation	Vessel Owning Group	Marshall Is.	05/12 - 06/30	—

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these condensed combined financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

- (a) **Basis of presentation:** The accompanying condensed combined financial statements include the accounts of all Combined Dry Bulk Group. The Group is combined on the basis of common control.

The Group has historically operated as part of the Parent's dry-bulk segment and not as a stand-alone Group. Consequently, stand-alone financial statements have not historically been prepared for the Group. The accompanying condensed combined financial statements of the Group have been prepared on a carve-out basis from the Parent's historical combined financial statements and accounting records and are presented on a stand-alone basis as if the Groups' operations had been conducted independently from Navios Holdings. All intercompany receivable and payable balances between our Parent and the Group, which are expected to be settled, are reflected in the condensed combined balance sheets as due to related parties, net. All significant intercompany accounts and transactions within the Group have been eliminated in the accompanying condensed combined financial statements. All other intercompany activity identified for inclusion within the condensed combined financial statements, either through specific identification or allocation to the Group, is deemed to be equity contribution by our Parent. The condensed combined financial statements include the historical results of operations, financial position and cash flows of the Group in accordance with accounting principles generally accepted ("GAAP") in the United States of America ("U.S."), collectively ("U.S. GAAP"). The operations comprising the Group are in various legal entities, owned 100% by the Parent. Accordingly, Navios Holdings' net investment in these operations is shown in lieu of stockholder's equity in the condensed combined financial statements.

The condensed combined statements of operations include all revenues and expenses directly attributable to the Combined Dry Bulk Group, as well as an allocation of corporate expenses incurred by our Parent on the Group's behalf.

The condensed combined financial statements include all assets and liabilities that contractually reside within the Group. Assets and liabilities of the Parent and its wholly owned subsidiaries were included in the combined financial statements to the extent the asset and liability are related to the Group. As Navios Holdings and its subsidiaries record certain transactions at the legal entity level for which discrete information was not available, allocation methodologies were applied to certain accounts to allocate amounts to the Group related to the following financial statement items:

- **Debt, interest expense and finance costs, net:** The debt of the Group includes third party debt entered into by the Group, as well third-party debt incurred by our Parent that is directly attributable to the Group. More particularly, the outstanding balance under the 7.375% First Priority Ship Mortgage Notes (the "2022 Notes") has been allocated to the Group for the years presented, and is presented under the captions "Due to related parties, net" and "Due to related parties, net of current portion" in the condensed combined balance sheets. Interest expense has been allocated to the Group to correspond to the amount of debt incurred by the Parent on its behalf. Any transaction costs, net and interest associated with the debt were also assigned. Our Parent's remaining third-party debt and related interest have not been allocated to the Group for any of the years presented as our Parent's borrowings are primarily for corporate cash purposes not directly attributable to the Group. For further information, please see also Note 6 "Borrowings" and Note 9 "Transactions with Related Parties".
- **General and administrative expenses:** Following the sale of the ship management division in 2019, the general and administrative expenses have been adjusted to reflect the proportion of such expenses that would be required for the Group to operate based on the respective administrative services agreement ("Administrative Services Agreement") dated August 29, 2019. In addition, general and administrative expenses for the periods presented were also adjusted to include certain non-allocable costs such as legal and audit fees, directors' compensation and other general and administrative expenses based on the direct usage of such services by the Group.

The Group is dependent upon Parent for all of its working capital and financing requirements, as Parent uses a centralized approach to cash management and financing of its operations. The cash and cash equivalents balances include only those balances held in bank accounts over which the carve-out entities have legal ownership. Debt allocated to the Group consists of third party debt issued by the carve-out entities (bank loans and finance liabilities under sale and lease back arrangements), and the 2022 Notes.

Management believes these allocations reasonably present the financial position and results of operations of the Group. Nevertheless, the condensed combined financial statements may not include all of the actual expenses that would have been incurred had the Group operated on a standalone basis during the periods presented and may not reflect our results of operations, financial position and cash flows during the periods presented. Actual costs that would have been incurred if we had operated on a standalone basis would depend on multiple factors, including organizational structure and strategic decisions made in various areas.

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**UNAUDITED CONDENSED NOTES TO THE**  
**CONDENSED COMBINED FINANCIAL STATEMENTS**  
**(Expressed in thousands of U.S. dollars)**

(b) *Use of estimates:* The preparation of the condensed combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to future drydock dates, the selection of useful lives and residual values for tangible assets and vessels' fair value upon initial recognition, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivables, provisions for legal disputes and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The spread of the COVID-19 pandemic, which has been declared a pandemic by the World Health Organization, in 2020, has caused substantial disruptions in the global economy and the shipping industry, as well as significant volatility in the financial markets, the severity and duration of which remains uncertain.

The impact of the COVID-19 pandemic continues to unfold and may continue to have negative effect on our business, financial performance and the results of our operations, including due to decreased demand for global seaborne dry bulk trade and charter rates, the extent of which will depend largely on future developments. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods. Actual results could differ from those estimates under different assumptions and/or conditions.

(c) *Revenue Recognition:*

Revenue is recognized when (or as) the Group transfers promised goods or services to its customers in amounts that reflect the consideration to which the Group expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Group satisfies its contractual obligations and transfers control of the promised goods or services to its customers.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Group performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Group satisfies each performance obligation.

Voyage revenues for the transportation of cargo are recognized ratably over the estimated relative transit time of each voyage. A voyage is deemed to commence when a vessel arrives at the loading port, as applicable under the contract, and is deemed to end upon the completion of the discharge of the current cargo. 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.

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 rate. Since address commissions represent a discount (sales incentive) on services rendered by the Group and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Demurrage income represents payments made by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized as it is earned.

The Group recognizes revenue ratably from the vessel's arrival at the loading port, as set forth in the applicable contract, to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract.

Revenues 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 revenue over the rental periods of such charter agreements as service is performed. However, for loss generating time charters, the loss is recognized in the period during which the loss is generated. A time-charter involves placing a vessel at the charterer's disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Charters for periods of less than three months are referred to as spot-charters. Charters for periods of three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. For time-charters, the owner of the vessel typically pays the vessel's operating costs, such as crews, maintenance and insurance.

Expenses related to our revenue-generating contracts are recognized as incurred.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

The following tables reflect the revenue earned per category for the six month periods ended June 30, 2022 and 2021:

	Six Month Period Ended June 30, 2022	Six Month Period Ended June 30, 2021
COA/Voyage revenue	\$ —	\$ 2,774
Time chartering revenue	\$ 157,736	\$ 113,904
Other	\$ 955	\$ 466
<b>Total</b>	<b>\$ 158,691</b>	<b>\$ 117,144</b>

**Deferred Income and Cash Received In Advance:** Deferred voyage revenue primarily relates to cash received from charterers prior to it being earned.

These amounts are recognized as revenue over the voyage or charter period.

**(d) Recent Accounting Pronouncements:**

*Adoption of new accounting pronouncements:*

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments (“ASU 2021-05”). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021. The adoption of this ASU on January 1, 2022 did not have a material impact on the Group’s condensed combined financial statements.

**NOTE 3: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

Cash and cash equivalents and restricted cash consisted of the following:

	June 30, 2022	December 31, 2021
Cash on hand and at banks	\$ 6,818	\$ 224
Restricted cash	8,716	—
<b>Cash and cash equivalents and restricted cash</b>	<b>\$15,534</b>	<b>\$ 224</b>

The bank accounts are legally owned by the entities referenced in Note 1.

Short-term deposits and highly liquid funds relate to amounts held in banks for general financing purposes and represent deposits with an original maturity of less than three months and are included in the condensed combined balance sheets under the caption “Cash and cash equivalents”.

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. Group does maintain cash deposits and equivalents in excess of government provided insurance limits. Group reduces exposure to credit risk by dealing with a diversified group of major financial institutions.

As of June 30, 2022 and December 31, 2021, restricted cash included \$8,716 and \$0, respectively, which related to amounts held in retention and other accounts as required by certain of Group’s credit facilities.

**NOTE 4: VESSELS, NET**

<u>Vessels, net</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
<b>Balance December 31, 2021</b>	<b>\$567,906</b>	<b>\$ (140,520)</b>	<b>\$427,386</b>
Additions	1,576	(11,515)	(9,939)
<b>Balance June 30, 2022</b>	<b>\$569,482</b>	<b>\$ (152,035)</b>	<b>\$417,447</b>

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**UNAUDITED CONDENSED NOTES TO THE**  
**CONDENSED COMBINED FINANCIAL STATEMENTS**  
**(Expressed in thousands of U.S. dollars)**

On July 29, 2022 and September 8, 2022, the Group completed the sale of 15 and 21 vessels, respectively, to Navios Partners, for an aggregate consideration of \$835,000. For further information see Note 11 “Subsequent Events” in the condensed combined financial statements.

**NOTE 5: INTANGIBLE ASSETS OTHER THAN GOODWILL**

<b>Intangible assets</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Acquisition cost	\$ 90,000	\$ 90,000
Accumulated amortization	(47,379)	(45,985)
<b>Total intangible assets net book value</b>	<b>\$ 42,621</b>	<b>\$ 44,015</b>

Amortization expense for both six month periods ended June 30, 2022 and 2021 amounted to \$1,394.

The remaining aggregate amortization of acquired intangibles as of June 30, 2022 will be as follows:

<b>Period</b>	
Year One	\$ 2,811
Year Two	2,818
Year Three	2,811
Year Four	2,811
Year Five	2,811
Thereafter	28,559
<b>Total</b>	<b>\$42,621</b>

**NOTE 6: BORROWINGS**

Borrowings, as of June 30, 2022 and December 31, 2021, consisted of the following:

<i>Facility</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Secured Credit Facilities	\$ 185,930	\$ —
Sale and Leaseback Agreements	137,802	114,837
<b>Total borrowings</b>	<b>323,732</b>	<b>114,837</b>
Less: current portion, net	(55,434)	(11,940)
Less: deferred finance costs, net	(3,075)	(1,196)
<b>Total long-term borrowings</b>	<b>\$265,223</b>	<b>\$ 101,701</b>

**Secured Credit Facilities**

*Hamburg Commercial Bank AG*

In December 2021, the Group entered into a loan agreement with Hamburg Commercial Bank AG (“HCOB”) for an amount of \$101,750, for the refinancing of seven dry bulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bore interest at a rate of LIBOR plus a margin, which ranged from 3.25% per annum to 4.50% per annum. In March 2022, the Group prepaid an amount of \$10,380 and one dry bulk vessel was released. The remaining loan balance of \$91,345 was repayable in eight quarterly installments of \$3,915, beginning three months from the date of the initial drawdown, with a final balloon payment of \$60,027 on the last repayment date. The loan facility required compliance with certain covenants, as described below. As of June 30, 2022, the outstanding balance under this facility was \$87,430.

As of September 8, 2022, the outstanding balance of the secured credit facility was assumed by Navios Partners pursuant to the Transaction. For further information see Note 11 “Subsequent Events” in the condensed combined financial statements.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

*Credit Agricole CIB/ BNP Paribas*

In December 2021, the Group entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of \$105,000, for the refinancing of seven dry bulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bore interest at a rate of LIBOR plus a margin, which ranged from 2.85% per annum to 3.75% per annum. The loan was repayable in four quarterly installments of \$6,500, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4,750 with a final balloon payment of \$41,000 on the last repayment date. The loan facility required compliance with certain covenants, as described below. As of June 30, 2022, the outstanding balance under this facility was \$98,500.

As of September 8, 2022, the outstanding balance of the secured credit facility was assumed by Navios Partners pursuant to the Transaction. For further information see Note 11 “Subsequent Events” in the condensed combined financial statements.

The facilities were secured by first priority mortgages on certain of Group’ vessels and other collateral.

The credit facilities contained a number of restrictive covenants that limited Group and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Group’ vessels; changing the commercial and technical management of certain Group’ vessels; selling or changing the ownership of certain Group’ vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also required the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities required compliance with the covenants contained in the indentures governing the 11.25% Senior Notes due 2022 (“2022 Senior Secured Notes”) and the 9.75% Senior Notes due 2024 (“2024 Notes”). Among other events, it would have been an event of default under the credit facilities if Navios Holdings failed to maintain the financial covenants or if Angeliki Frangou and her affiliate companies owned (in the aggregate) less than 10% of the outstanding share capital of Group.

The Group’s secured credit facilities required compliance with maintenance covenants. Depending on the facility, these covenants included: (i) value-to-loan ratio covenants based on charter-free valuations, ranging from over 125% to 133%; (ii) minimum liquidity, as defined in the credit facilities, of \$10,000; (iii) total debt divided by total assets, as defined in each credit facility, of 75%; and (iv) net worth, as defined in the credit facility, of \$125,000.

As of June 30, 2022, the Group was in compliance with all of the covenants under each of its credit facilities.

*Sale and Leaseback Agreements*

In the first quarter of 2020, the Group entered into two sale and leaseback agreements of \$68,000 in total, with unrelated third parties for two Capesize vessels. The Group had no purchase obligation to acquire the vessels at the end of the lease term, however, it was reasonably certain that respective purchase options would be exercised and under ASC 842-40, the transfer of the vessels were determined to be a failed sale. In accordance with ASC 842-40, the Group did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreements as a financial liability.

The sale and leaseback agreements for the two Capesize vessels were repayable by 144 consecutive monthly payments of approximately \$224 and \$238 each, commencing as of January 2020 and March 2020, respectively. The agreements mature in the fourth quarter of 2031 and first quarter of 2032, respectively, with a balloon payment of \$750 per vessel on the last repayment date.

In December 2021, the Group entered into four new sale and leaseback agreements of \$77,000 in total, with unrelated third parties, in order to finance four dry bulk vessels. In December 2021, three of the four new sale and leaseback agreements were drawn down amounting to \$58,000 in total.

Two dry bulk vessels were repayable by 96 consecutive payments of approximately \$481 each, commencing as of December 2021. One dry bulk vessel was repayable by 72 consecutive monthly payments of approximately \$688, commencing as of December 2021. Two of the agreements mature in the fourth quarter of 2029 and one in the fourth quarter of 2027, respectively, with a balloon payment of \$3,600 each for two dry bulk vessels and \$3,500 for one dry bulk vessel on the last repayment date. The fourth sale and leaseback agreement amounting to \$19,000 was drawn down in January 2022, and was repayable by 84 consecutive monthly payments of approximately \$643. The fourth sale and leaseback agreement matures in the first quarter of 2029 with a balloon payment of \$1,000.



**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

In March 2022, the Group entered into a sale and leaseback agreement to finance one dry bulk vessel. The fifth sale and leaseback agreement amounting to \$12,000 was drawn down in March 2022, and was repayable by 60 consecutive monthly payments of approximately \$521. The fifth sale and leaseback agreement matures in the first quarter of 2027 with a balloon payment of \$1,600.

As of June 30, 2022, the outstanding balance under the sale and leaseback agreements was \$137,802 in total.

In the third quarter of 2022, the Group completed the acquisition of a previously chartered-in vessel, Navios Sky. Please see also Note 11 “Leases” to the condensed combined financial statements. In the third quarter of 2022, the Group entered into a sale and leaseback agreement to finance a dry bulk vessel. The eighth sale and leaseback agreement amounting to \$22,000 was drawn down in the third quarter 2022, and was repayable by 120 consecutive monthly payments of approximately \$158. The eighth sale and leaseback agreement matures in the third quarter of 2032 with a balloon payment of \$3,000.

The sale and leaseback agreements had no financial covenants.

As of September 8, 2022, the outstanding balances of the sale and leaseback agreements were assumed by Navios Partners pursuant to the Transaction. For further information see Note 11 “Subsequent Events” in the condensed combined financial statements.

During the six month period ended June 30, 2022, the Group paid \$18,449 related to scheduled repayment installments on its secured credit facilities, and \$10,380 related to prepayments of one of the Group’s credit facilities. During the six month period ended June 30, 2022, the proceeds from long term debt were \$206,725 and the proceeds from the two sale and leaseback agreements were \$31,000.

During the six month period ended June 30, 2021, the Group paid, \$12,716 related to scheduled repayment installments under its secured credit facilities.

The annualized weighted average interest rates of the Group’s total borrowings for the six month periods ended June 30, 2022 and 2021 were 4.48% and 6.87%, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Group’s outstanding as of June 30, 2022, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

<b>Payment due by period</b>	
June 30, 2023	\$ 56,699
June 30, 2024	107,577
June 30, 2025	72,040
June 30, 2026	16,790
June 30, 2027	17,695
June 30, 2028 and thereafter	52,931
<b>Total</b>	<b><u>\$323,732</u></b>

**NOTE 7: 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 combined balance sheets for interest bearing deposits and money market funds approximate their fair value because of the short maturity of these investments.

**Restricted cash:** The carrying amounts reported in the condensed combined balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

**Borrowings:** The book value has been adjusted to reflect the net presentation of deferred financing costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred financing costs. Three sale and leaseback agreements (which as of the date of this Report have been assigned to Navios Partners pursuant to the Transaction) are fixed rate borrowings and their fair value was determined based on quoted market prices.

**Investments in available-for-sale securities:** The carrying amount of the investments in available-for-sale securities reported in the condensed combined balance sheets represents unrealized gains and losses on these securities, which are reflected in the condensed combined statements of comprehensive income.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

The estimated fair values of the Group's financial instruments are as follows:

	June 30, 2022		December 31, 2021	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 6,818	\$ 6,818	\$ 224	\$ 224
Restricted cash	\$ 8,716	\$ 8,716	\$ —	\$ —
Investments in available-for-sale-securities	\$ 220	\$ 220	\$ 219	\$ 219
Long-term debt, including current portion	\$(320,657)	\$(323,732)	\$(113,641)	\$(114,837)

The following table sets forth our assets that are measured at fair value on a recurring basis categorized by fair value hierarchy level. As required by the fair value guidance, assets are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value Measurements as of June 30, 2022			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in available-for-sale-securities	\$220	\$ 220	\$ —	\$ —
<b>Total</b>	<b>\$220</b>	<b>\$ 220</b>	<b>\$ —</b>	<b>\$ —</b>

	Fair Value Measurements as of December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in available-for-sale-securities	\$219	\$ 219	\$ —	\$ —
<b>Total</b>	<b>\$219</b>	<b>\$ 219</b>	<b>\$ —</b>	<b>\$ —</b>

As of June 30, 2022 and December 31, 2021, there were no assets measured at fair value on a non-recurring basis.

#### Fair Value Measurements

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at June 30, 2022			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 6,818	\$ 6,818	\$ —	\$ —
Restricted cash	\$ 8,716	\$ 8,716	\$ —	\$ —
Investments in available-for-sale-securities	\$ 220	\$ 220	\$ —	\$ —
Long-term debt, including current portion <sup>(1)</sup>	\$(323,732)	\$ —	\$(323,732)	\$ —

	Fair Value Measurements at December 31, 2021			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 224	\$ 224	\$ —	\$ —
Restricted cash	\$ —	\$ —	\$ —	\$ —
Investments in available-for-sale-securities	\$ 219	\$ 219	\$ —	\$ —
Long-term debt, including current portion <sup>(1)</sup>	\$(114,837)	\$ —	\$(114,837)	\$ —

(1) The fair value of the Group's long-term debt is estimated based on currently available debt with similar contract terms, interest rates and remaining maturities, published quoted market prices as well as taking into account the Group's creditworthiness.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 8: COMMITMENTS AND CONTINGENCIES**

The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes that the final outcome will not have a significant effect on the Group's operating results or financial position and that no additional provisions over and above provisions already reflected in the condensed combined financial statements are required.

***Guarantees:***

*2022 Notes*

As explained in Note 1, for the purpose of the preparation of these condensed combined financial statements, the outstanding balance under the 2022 Notes has been allocated to the Group. For further information, see also Note 9 "Transactions with related parties".

The 2022 Notes are fully and unconditionally guaranteed on a joint and several basis by all of the subsidiaries of Navios Holdings with the exception of Navios Maritime Finance II (US) Inc. (a co-issuer of the ship mortgage notes). The guarantees of the Group that own mortgaged vessels are senior secured guarantees.

*2022 Senior Secured Notes*

On November 21, 2017, Navios Holdings and its wholly-owned subsidiary, Navios Maritime Finance II (US) Inc. (together with Navios Holdings, the "Co-Issuers") issued \$305,000 of 11.25% Senior Notes due in 2022. As of June 30, 2022 and December 31, 2021, the outstanding balance of the bond amounted to \$90,000 and \$155,000 respectively. In addition, the 2022 Senior Secured Notes are guaranteed by all of the direct and indirect subsidiaries of Navios Holdings, except for certain subsidiaries designated as unrestricted subsidiaries, including Navios Logistics. The subsidiary guarantees are "full and unconditional", except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an "unrestricted subsidiary" for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Secured Notes

**NOTE 9: TRANSACTIONS WITH RELATED PARTIES**

**Vessel Operating Expenses (management fees):** Pursuant to a management agreement dated August 29, 2019 (the "Management Agreement") with N Shipmanagement Inc., a subsidiary of N Shipmanagement Acquisition Corp. (together with its subsidiaries, "NSM" or the "Manager"), the Manager provides commercial and technical management services to Group's vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination is received by either party. The ship management services fees provided by the Manager was a fixed rate of \$3.7 per day per owned/bareboat-in vessel until August 2021, \$3.8 per day per owned/bareboat-in vessel until August 2022 and \$3.9 per day until the closing of the Transaction on September 8, 2022. The fee for the ship management services provided by the Manager is a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement are reimbursed by Group at cost. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Group in the event the Management Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. Total management fees for vessel operating expenses for the six month periods ended June 30, 2022 and 2021 amounted to \$17,297 and \$16,815, respectively and are presented under the caption "Direct vessel expenses" in the condensed combined statements of comprehensive income. During six month periods ended June 30, 2022 and 2021, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$1,656 and \$165, respectively, and are presented under the caption "Direct vessel expenses" in the condensed combined statements of comprehensive income.

**General and administrative expenses:** Pursuant to an administrative services agreement dated August 29, 2019 (the "Administrative Services Agreement"), the Manager provides administrative services to Group. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Group in the event the Administrative Services Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. Total general and administrative expenses attributable to this agreement for the six month periods ended June 30, 2022 and 2021 amounted to \$3,843 and \$3,719, respectively, and are presented under the caption "General and administrative expenses" in the condensed combined statements of comprehensive income.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**Balance due to related parties:** Balances due to related parties relate to amounts due to both Navios Holdings and its subsidiaries, as well as to NSM.

Amounts due to NSM as of June 30, 2022 and December 31, 2021 were \$44,795 and \$20,643, respectively, which consisted of management fees, administrative fees and other operating amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels and are presented under the caption “Due to related parties, net” in the condensed combined statements of financial position.

Amounts due to Navios Holdings as of June 30, 2022 and December 31, 2021 were \$0 and \$386,575, respectively. The balance as of December 31, 2021 mainly consisted of (i) the 2022 Notes bond balance amounted to \$455,393, net of deferred finance costs of \$73 and (ii) the accrued bond interest amounted to \$15,432 mitigated by the restricted cash amounted to \$84,250 held as cash collateral in an escrow account, concerning the release of Navios Lumen, Navios Stellar and Navios Phoenix, from the 2022 Notes. Of the outstanding amount, \$196,000 is presented under the caption “Due to related parties, net” in the condensed combined statements of financial position and the remaining \$190,575 under the caption “Due to related parties, net of current portion” in the condensed combined statements of financial position.

*2022 Notes*

On November 29, 2013, Navios Holdings and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with the Navios Holdings, the “Co-Issuers”) completed the sale of \$650,000 of 7.375% First Priority Ship Mortgage Notes due 2022 (the “2022 Notes”). During the six month period ended June 30, 2021, the Group repurchased \$14,356 in par value of the 2022 Notes for cash consideration of \$12,454 resulting in a gain on bond extinguishment of \$1,873, net of deferred financing costs written-off.

In January 2022, the Company fully repaid the outstanding balance of \$455,466 on the 2022 Notes using (i) \$206,725 under two credit facilities with commercial banks; (ii) \$77,000 under four sale and leaseback agreements; (iii) \$100,000 of additional financing from NSM; and (iv) cash from operations. In addition, as of December 31, 2021, \$158,873 of 2022 Notes held by the Company that had previously been pledged as collateral to NSM, were cancelled.

*Guarantees:*

Refer to Note 8 “Commitments and Contingencies”.

**Omnibus Agreements:** Navios Holdings has entered into an omnibus agreement with Navios Partners (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.

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

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
UNAUDITED CONDENSED NOTES TO THE  
CONDENSED COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliate companies to compete with Navios Midstream under specified circumstances.

Navios Holdings entered into an omnibus agreement with Navios Containers, Navios Acquisition, and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have granted a right of first refusal to Navios Containers over any container vessels to be sold or acquired in the future, subject to significant exceptions. The right of first refusal would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliate companies to compete with Navios Containers under specified circumstances.

**NOTE 10: LEASES**

***Operating Leases***

*Time charter out contracts*

The Group's contract revenues from time chartering are governed by ASC 842. Upon adoption of ASC 842, the timing and recognition of earnings from the time charter contracts to which the Group is party did not change from previous practice.

*Time charter-in and bareboat-in contracts*

As of June 30, 2022, the Group had time charter-in and bareboat-in contracts whose remaining lease terms ranged from less than 0.1 years to 8.0 years. Certain operating leases have optional periods. Based on management estimates and market conditions, the lease term of these leases is being assessed at each balance sheet date. The Group will continue to recognize the lease payments for all operating leases as charter hire expense on the condensed combined statements of comprehensive income on a straight-line basis over the lease term.

Lease expenses for charter-in contracts are \$30,522 and \$30,343 for the periods ended June 30, 2022 and 2021, respectively and are included in the condensed combined statement of comprehensive income under the caption "Time charter, voyage and logistics business expenses".

The table below provides the total amount of lease payments on an undiscounted basis on our charter-in contracts and office lease agreements as of June 30, 2022:

	<b>Charter-in vessels in operation</b>
June 30, 2023	\$ 80,620
June 30, 2024	46,554
June 30, 2025	28,277
June 30, 2026	18,960
June 30, 2027	10,680
June 30, 2028 and thereafter	25,888
<b>Total</b>	<b>\$210,979</b>
<b>Operating lease liabilities, including current portion</b>	<b>\$162,567</b>
<b>Discount based on incremental borrowing rate</b>	<b>\$ 48,412</b>

As of June 30, 2022 and 2021, the weighted average remaining lease terms on our charter-in contracts (including bareboat-in contracts 4.5 and 4.9 years respectively).

***Finance Leases***

In the second quarter of 2022, the Group exercised the option to purchase the charter-in vessel Navios Sky. In accordance with ASC 842, the Group re-assessed the respective lease agreement and concluded the option would be accounted for as a lease modification. As of June 30, 2022, the Group recognized a finance lease asset amounting to \$19,417, which is presented under the caption "Finance lease assets" and a corresponding finance lease liability, which is presented under the caption "Finance lease liabilities, current portion" and "Finance lease liabilities, net of current portion". The corresponding interest expense of \$866 on the finance lease liability for the six month period ended June 30, 2022 is included under the caption "Interest expense and finance cost, net" and the corresponding depreciation of \$163 on the finance lease asset for the six month period ended June 30, 2022 is included under the caption "Depreciation and amortization".

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**UNAUDITED CONDENSED NOTES TO THE**  
**CONDENSED COMBINED FINANCIAL STATEMENTS**  
**(Expressed in thousands of U.S. dollars)**

As of June 30, 2022, the Group paid an amount of \$2,002 relating to the deposit for the acquisition of the Navios Sky. As of June 30, 2022, the outstanding balance under the finance lease liability was \$17,285 including \$130 relating to finance lease payments.

The table below provides the total amount of lease payments on our finance lease liability as of June 30, 2022:

<u>Payment due by period</u>	
June 30, 2023	\$ 1,900
June 30, 2024	1,900
June 30, 2025	1,900
June 30, 2026	1,900
June 30, 2027	1,900
June 30, 2028 and thereafter	<u>7,785</u>
<b>Total</b>	<b><u>\$17,285</u></b>

**NOTE 11: SUBSEQUENT EVENTS**

- 1) In July 2022, the Group entered into a sale and leaseback agreement amounting to \$22,000 to finance a dry bulk vessel, which was drawn in the third quarter of 2022. Please see also Note 6 "Borrowings" to the condensed combined financial statements.
- 2) On July 26, 2022, Navios Holdings agreed to sell its 36-vessel dry bulk fleet for an aggregate consideration of \$835,000 consisting of cash and the assumption of bank debt and finance leases related to the vessels and subject to working capital adjustment at closing, to Navios Partners. The closing of the Transaction was subject to customary closing conditions, including receipt of certain consents required in connection with Navios Partners' assumption of bank debt in connection with the Transaction. The closing of the Transaction was effected in two tranches. The first tranche, involving the transfer of 15 vessels, was completed on July 29, 2022. The second tranche, involving the remaining 21 vessels, was completed on September 8, 2022.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

<u>Index</u>	<u>Page</u>
REPORT OF INDEPENDENT AUDITORS	F-2
COMBINED BALANCE SHEETS AS AT DECEMBER 31, 2021 AND 2020	F-4
COMBINED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS) FOR EACH OF THE YEARS ENDED DECEMBER 31, 2021 AND 2020	F-5
COMBINED STATEMENTS OF CASH FLOWS FOR EACH OF THE YEARS ENDED DECEMBER 31, 2021 AND 2020	F-6
COMBINED STATEMENTS OF CHANGES IN NET PARENT COMPANY INVESTMENT FOR EACH OF THE YEARS ENDED DECEMBER 31, 2021 AND 2020	F-7
NOTES TO THE COMBINED FINANCIAL STATEMENTS	F-8

## Report of Independent Auditors

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

### ***Opinion***

We have audited the accompanying combined financial statements of the Dry Bulk Group of Companies (a fleet of Navios Maritime Holdings Inc.) (the “Group”), which comprise the combined balance sheets as of December 31, 2021 and 2020, and the related combined statements of comprehensive income/(loss), of cash flows and changes in Net Parent Company Investment for the years then ended, including the related notes (collectively referred to as the “combined financial statements”).

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the combined Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***Auditors’ Responsibilities for the Audit of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers S.A.

Athens, Greece

December 7, 2022

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**COMBINED BALANCE SHEETS**  
(Expressed in thousands of U.S. dollars)

	Notes	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	\$ 224	\$ 3,609
Restricted cash	3	—	158
Accounts receivable, net	4	9,186	9,792
Inventories		3,052	3,335
Prepaid expenses and other current assets	5	9,986	8,599
<b>Total current assets</b>		<b>22,448</b>	<b>25,493</b>
Vessels, net	6	427,386	445,690
Deferred dry dock and special survey costs, net		23,467	16,289
Other long-term assets	11	35,689	35,763
Operating lease assets	13	164,267	206,590
Intangible assets other than goodwill	2, 7	44,015	46,825
Goodwill	2	56,240	56,240
<b>Total non-current assets</b>		<b>751,064</b>	<b>807,397</b>
<b>Total assets</b>		<b>\$ 773,512</b>	<b>\$ 832,890</b>
<b>LIABILITIES AND NET PARENT COMPANY INVESTMENT</b>			
<b>Current liabilities</b>			
Accounts payable	8	\$ 6,234	\$ 2,580
Accrued expenses and other liabilities		690	1,307
Deferred income and cash received in advance		6,703	4,479
Operating lease liabilities, current portion	13	54,490	62,695
Due to related parties, net	2, 12	216,643	38,514
Current portion of long-term debt, net	9, 10	11,940	15,301
<b>Total current liabilities</b>		<b>296,700</b>	<b>124,876</b>
Long-term debt, net of current portion	9, 10	101,701	56,581
Due to related parties, net of current portion	2, 12	190,575	474,977
Operating lease liabilities, net of current portion	13	135,338	185,092
<b>Total non-current liabilities</b>		<b>427,614</b>	<b>716,650</b>
<b>Total liabilities</b>		<b>724,314</b>	<b>841,526</b>
<b>Commitments and contingencies</b>	11	—	—
<b>Net parent company investment</b>		<b>49,198</b>	<b>(8,636)</b>
<b>Total liabilities and net parent company investment</b>		<b>\$ 773,512</b>	<b>\$ 832,890</b>

See notes to combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
COMBINED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)  
(Expressed in thousands of U.S. dollars)**

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue	2	\$ 320,973	\$ 139,041
Time charter and voyage expenses	2	(70,581)	(70,934)
Direct vessel expenses	12	(43,185)	(35,858)
General and administrative expenses	12	(13,706)	(14,710)
Depreciation and amortization	6, 7	(25,619)	(28,941)
Allowance for credit losses	4	(1,339)	—
Interest expense and finance cost, net	2, 11, 12	(38,255)	(39,362)
Gain on bond extinguishment, net	12	2,728	11,204
Impairment losses	6, 13	—	(54,092)
Other expense, net		(2,983)	(1,041)
<b>Income/(loss) before taxes</b>		<b>\$ 128,033</b>	<b>\$ (94,693)</b>
Income tax expense		(98)	(187)
<b>Net income/(loss)</b>		<b>\$ 127,935</b>	<b>\$ (94,880)</b>

See notes to combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.  
COMBINED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of U.S. dollars)**

	Notes	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>OPERATING ACTIVITIES:</b>			
Net income/(loss)		\$ 127,935	\$ (94,880)
<b>Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:</b>			
Depreciation and amortization		25,619	28,941
Amortization and write-off of deferred financing costs	2	1,919	1,863
Amortization of deferred drydock and special survey costs	6, 7	6,148	4,288
Allowance for credit losses	4	1,339	—
Available-for-sale securities		13	(33)
Gain on bond extinguishment, net	12	(2,728)	(11,204)
Income tax expense		98	187
Impairment losses	6, 13	—	54,092
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in accounts receivable		(733)	769
Decrease /(increase) in inventories		283	(1,037)
(Increase)/decrease in prepaid expenses and other assets		(14)	409
Increase/(decrease) in accounts payable		3,654	(82)
(Decrease)/increase in accrued expenses and other liabilities		(715)	622
Decrease in operating lease liabilities, net		(15,636)	(1,754)
(Decrease)/increase in due to related parties, net		(2,438)	24,975
Increase in deferred income and cash received in advance		2,224	2,944
Payments for drydock and special survey costs	12	(13,326)	(11,103)
<b>Net cash provided by/(used in) operating activities</b>		<b>133,642</b>	<b>(1,003)</b>
<b>INVESTING ACTIVITIES:</b>			
Acquisition of/additions to vessels	4	(4,505)	(96,465)
Deposit for option to acquire vessels		—	(2,099)
<b>Net cash used in investing activities</b>		<b>(4,505)</b>	<b>(98,564)</b>
<b>FINANCING ACTIVITIES:</b>			
Repayment of long-term debt and payment of principal	9	(16,043)	(6,596)
Proceeds from long-term debt	9	58,000	68,000
Debt issuance costs		(1,698)	(1,138)
Net transfers (to)/from parent company		(70,101)	45,221
Net debt repayments to related parties	12	(102,838)	(9,443)
<b>Net cash (used in)/provided by financing activities</b>		<b>(132,680)</b>	<b>96,044</b>
<b>Decrease in cash and cash equivalents and restricted cash</b>		<b>(3,543)</b>	<b>(3,523)</b>
<b>Cash and cash equivalents and restricted cash, beginning of period</b>		<b>3,767</b>	<b>7,290</b>
<b>Cash and cash equivalents and restricted cash, end of period</b>	3	<b>\$ 224</b>	<b>\$ 3,767</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>			
Cash paid for interest, net of capitalized interest		\$ 37,065	\$ 38,540
Cash paid for income taxes		\$ 260	\$ 186
Acquisition of/additions to vessels		\$ —	\$ (986)

See notes to combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES**  
**A FLEET OF NAVIOS MARITIME HOLDINGS INC.**  
**COMBINED STATEMENTS OF CHANGES IN NET PARENT COMPANY INVESTMENT**  
**(Expressed in thousands of U.S. dollars)**

	Net Parent Company Investment
<b>Balance December 31, 2019</b>	<b>\$ 39,973</b>
Net loss	(94,880)
Net transactions with parent	46,271
<b>Balance December 31, 2020</b>	<b>\$ (8,636)</b>
Net income	127,935
Net transactions with parent	(70,101)
<b>Balance December 31, 2021</b>	<b>\$ 49,198</b>

See notes to combined financial statements

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 1: DESCRIPTION OF BUSINESS**

On July 26, 2022, Navios Maritime Holdings Inc. (“Navios Holdings” or “Parent”) agreed to sell its 36-vessel dry bulk fleet, of which 25 are owned (including five bareboat-in vessels) and 11 are chartered-in under long-term charters (the “Dry Bulk Group”), for an aggregate consideration of \$835,000 consisting of cash and the assumption of bank debt and finance leases related to the vessels and subject to working capital adjustment at closing (the “Transaction”), to Navios Maritime Partners L.P. (“Navios Partners”). The financial information of the 36-vessels dry bulk fleet combined in these financial statements shall hereafter be referred to as the “Combined Dry Bulk Group” or “Group”. Prior to the Transaction, Navios Holdings was a global seaborne shipping and logistics company focused on the transport and transshipment of dry bulk commodities, including iron ore, coal and grain.

For further information see Note 14 “Subsequent Events” in the combined financial statements.

These accompanying combined financial statements present, on a historical cost basis, the combined assets, liabilities, revenues and expenses of the Combined Dry Bulk Group, consisting of a fleet of 36-vessels of Navios Holdings, as of December 31, 2021 and 2020, on the basis of common control.

The Combined Dry Bulk Group consists of the following entities:

Group Name	Nature	Country of Incorporation	2021	2020
Navios International Inc.	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Bulkinvest S.A.	Operating Group	Luxembourg	1/1 - 12/31	1/1 - 12/31
Kleimar N.V.	Operating Group/ Vessel Owning	Belgium	1/1 - 12/31	1/1 - 12/31
Shikhar Ventures S.A.	Vessel Owning Group	Liberia	1/1 - 12/31	1/1 - 12/31
Vernazza Shiptrade Inc.	Operating Group	Marshall Is.	1/1 - 12/31	9/25 - 12/31
Faith Marine Ltd.	Vessel Owning Group	Liberia	1/1 - 12/31	1/1 - 12/31
Rumer Holding Ltd.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Corsair Shipping Ltd.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
White Narcissus Marine S.A.	Vessel Owning Group	Panama	1/1 - 12/31	1/1 - 12/31
Red Rose Shipping Corp.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Ducale Marine Inc.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Pharos Navigation S.A.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Roselite Shipping Corporation	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Thalassa Marine S.A.	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Asteroid Shipping S.A.	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Cloud Atlas Marine S.A.	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Rider Shipmanagement Inc.	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Talia Shiptrade S.A.	Operating Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Opal Shipping Corporation	Vessel Owning Group	Marshall Is.	06/30 - 12/31	—
Highbird Management Inc.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Moonstone Shipping Corporation	Vessel Owning Group	Marshall Is.	06/30 - 12/31	—
NAV Holdings Limited	Sub Holding Group	Malta	1/1 - 12/31	1/1 - 12/31
Iris Shipping Corporation	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Jasmine Shipping Corporation	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31
Pueblo Holdings Ltd.	Vessel Owning Group	Marshall Is.	1/1 - 12/31	1/1 - 12/31

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these combined financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- (a) **Basis of presentation:** The accompanying combined financial statements include the accounts of all of the Combined Dry Bulk Group. The Group is combined on the basis of common control.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

The Group has historically operated as part of the Parent's dry-bulk segment and not as a stand-alone Group. Consequently, stand-alone financial statements have not historically been prepared for the Group. The accompanying combined financial statements of the Group have been prepared on a carve-out basis from the Parent's historical combined financial statements and accounting records and are presented on a stand-alone basis as if the Groups' operations had been conducted independently from Navios Holdings. All intercompany receivable and payable balances between our Parent and the Group, which are expected to be settled, are reflected in the combined balance sheets as due to related parties, net. All significant intercompany accounts and transactions within the Group have been eliminated in the accompanying combined financial statements. All other intercompany activity identified for inclusion within the combined financial statements, either through specific identification or allocation to the Group, is deemed to be equity contribution by our Parent. The combined financial statements include the historical results of operations, financial position and cash flows of the Group in accordance with accounting principles generally accepted ("GAAP") in the United States of America ("U.S."), collectively ("U.S. GAAP"). The operations comprising the Group are in various legal entities, owned 100% by the Parent. Accordingly, Navios Holdings' net investment in these operations is shown in lieu of stockholder's equity in the combined financial statements.

The combined statements of operations include all revenues and expenses directly attributable to the Combined Dry Bulk Group, as well as an allocation of corporate expenses incurred by our Parent on the Group's behalf.

The combined financial statements include all assets and liabilities that contractually reside within the Group. Assets and liabilities of the Parent and its wholly owned subsidiaries were included in the combined financial statements to the extent the asset and liability are related to the Group. As Navios Holdings and its subsidiaries record certain transactions at the legal entity level for which discrete information was not available, allocation methodologies were applied to certain accounts to allocate amounts to the Group related to the following financial statement items:

- **Debt, interest expense and finance costs, net:** The debt of the Group includes third party debt entered into by the Group, as well third-party debt incurred by our Parent that is directly attributable to the Group. More particularly, the outstanding balance under the 7.375% First Priority Ship Mortgage Notes (the "2022 Notes") has been allocated to the Group for the years presented, and is presented under the captions "Due to related parties, net" and "Due to related parties, net of current portion" in the combined balance sheets. Interest expense has been allocated to the Group to correspond to the amount of debt incurred by the Parent on its behalf. Any transaction costs, net and interest associated with the debt were also assigned. Our Parent's remaining third-party debt and related interest have not been allocated to the Group for any of the years presented as our Parent's borrowings are primarily for corporate cash purposes not directly attributable to the Group. For further information, please see also Note 9 "Borrowings" and Note 12 "Transactions with Related Parties".
- **General and administrative expenses:** Following the sale of the ship management division in 2019, the general and administrative expenses have been adjusted to reflect the proportion of such expenses that would be required for the Group to operate based on the respective administrative services agreement ("Administrative Services Agreement") dated August 29, 2019. In addition, general and administrative expenses for the periods presented were also adjusted to include certain non-allocable costs such as legal and audit fees, directors' compensation and other general and administrative expenses based on the direct usage of such services by the Group.

The Group is dependent upon Parent for all of its working capital and financing requirements, as Parent uses a centralized approach to cash management and financing of its operations. The cash and cash equivalents balances include only those balances held in bank accounts over which the carve-out entities have legal ownership. Debt allocated to the Group consists of third party debt issued by the carve-out entities (bank loans and finance liabilities under sale and lease back arrangements), and the 2022 Notes.

Management believes these allocations reasonably present the financial position and results of operations of the Group. Nevertheless, the combined financial statements may not include all of the actual expenses that would have been incurred had the Group operated on a standalone basis during the periods presented and may not reflect our results of operations, financial position and cash flows during the periods presented. Actual costs that would have been incurred if we had operated on a standalone basis would depend on multiple factors, including organizational structure and strategic decisions made in various areas.

- (b) **Use of estimates:** The preparation of the combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, management evaluates the estimates and judgments, including those related to future drydock dates, the selection of useful lives and residual values for tangible assets and vessels' fair value upon initial recognition, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

receivables, provisions for legal disputes and contingencies. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The spread of the COVID-19 pandemic, which has been declared a pandemic by the World Health Organization, in 2020, has caused substantial disruptions in the global economy and the shipping industry, as well as significant volatility in the financial markets, the severity and duration of which remains uncertain.

The impact of the COVID-19 pandemic continues to unfold and may continue to have negative effect on our business, financial performance and the results of our operations, including due to decreased demand for global seaborne dry bulk trade and charter rates, the extent of which will depend largely on future developments. As a result, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change in future periods. Actual results could differ from those estimates under different assumptions and/or conditions.

- (c) **Cash and Cash Equivalents:** Cash and cash equivalents consist of cash on hand, deposits held on call with banks, and other short-term liquid investments with original maturities of three months or less.
- (d) **Restricted Cash:** As of December 31, 2021 and 2020, restricted cash included \$0 and \$158, respectively, which related to amounts held in retention accounts as required by certain of Group credit facilities. As of December 31, 2021, within “Due to related parties, net” is included an amount of \$84,250 as cash collateral in an escrow account, concerning the release of Navios Lumen, Navios Stellar and Navios Phoenix, from the 2022 Notes. Please see also Note 12 “Transactions with Related Parties”.
- (e) **Trade Accounts Receivable:** The amount shown as accounts receivable, trade, at each balance sheet date, includes receivables from charterers for hire, freight and demurrage billings, net of an allowance for credit losses. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate allowance for credit losses.

On January 1, 2020, the Group adopted Topic 326 “Financial Instruments—Credit Losses. Measurement of Credit Losses on Financial Instruments” using the modified retrospective approach. This standard amends the accounting for credit losses on available-for-sale debt securities, purchased financial assets with credit deterioration and clarifies that impairment of receivables arising from operating leases should be accounted for in accordance with ASC 842 “Leases”. In addition, this standard requires the measurement of all expected credit losses for financial assets, including trade accounts receivable, held at the reporting date based on historical experience, current conditions, and current expectations of future economic conditions based on reasonable and supportable forecasts. This new guidance did not have a material impact on the Group’s combined financial statements, as the majority of its Accounts receivable, net relates to receivables arising from operating leases and are scoped out of the new standard. As a result of the adoption of this standard, there was no cumulative impact to the Group’s accumulated deficit at January 1, 2020.

- (f) **Insurance Claims:** Insurance claims at each balance sheet date consist of claims submitted and/or claims in the process of compilation or submission (claims pending). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reporting period, which are probable to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. The classification of insurance claims into current and non-current assets is based on management’s expectations as to their collection dates.
- (g) **Inventories:** Inventories, which are comprised of lubricants, bunkers (when applicable) and stock provisions on board of the vessels, are valued at cost as determined on the first-in, first-out basis.
- (h) **Vessels, net:** Dry bulk vessels acquired as parts of business combinations are recorded at fair value on the date of acquisition, and if acquired as an asset acquisition, are recorded at cost (including transaction costs). Vessels constructed by the Group would be stated at historical cost, which consists of the contract price, capitalized interest and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earnings capability or improve the efficiency or safety of the vessels. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the accompanying combined statements of comprehensive income/(loss).

Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight-line method over the useful life of the vessels and other fixed assets, after considering the estimated residual value.



**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

Management estimates the residual values of the Group's dry bulk vessels based on a scrap value cost of steel times the weight of the ship noted in lightweight tons ("LWT"). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or for other reasons. Revisions of residual values affect the depreciable amount of the vessels and the depreciation expense in the period of the revision and future periods. Management estimates the residual values of the Group's vessels based on a scrap rate of \$340 per LWT after considering current market trends for scrap rates and ten-year average historical scrap rates of the residual values of the Group's vessels.

Management estimates the useful life of its dry bulk vessels to be 25 years from the vessel's original construction. However, when regulations place limitations on the ability of a vessel to trade on a worldwide basis, its useful life is re-estimated to end at the date such regulations become effective. An increase in the useful life of a vessel or in its residual value would have the effect of decreasing the annual depreciation charge and extending it into later periods. A decrease in the useful life of a vessel or in its residual value would have the effect of increasing the annual depreciation charge.

- (i) **Impairment of Long Lived Assets:** Vessels held and used by the Group are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Group's management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value.

The Group determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data and taking into consideration third party valuations performed on an individual vessel basis. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the vessel, the unamortized portion of deferred drydock and special survey costs, the unamortized portion of ballast water treatment system and the unamortized portion of other capitalized items, if any related to the vessel or the carrying value of deposits for newbuildings. The loss recognized either on impairment (or on disposition) will reflect the excess of carrying value over fair value (selling price) for the vessel asset group.

Where the undiscounted projected net operating cash flows for each asset group do not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeds to perform step two of the impairment assessment. In step two of the impairment assessment, the Group determines the fair value of its vessels through a combination of a discounted cash flow analysis utilizing market participant assumptions from available market data and third-party valuations performed on an individual vessel basis.

As of December 31, 2021, the Group considered various indicators, including but not limited to the market price of its long-lived assets, its contracted revenues and cash flows and the economic outlook, and concluded that no events and circumstances occurred, which could trigger the existence of potential impairment of the Group's vessels. As a result, no step one of impairment assessment was performed as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that events occurred, and circumstances had changed, which indicated that potential impairment of the Group's long-lived assets could exist. These indicators included continued volatility in the spot market, and the related impact of the current dry bulk sector on management's expectation for future revenues. As a result, an impairment assessment of long-lived assets (step one) was performed.

The Group determined undiscounted projected net operating cash flows for each vessel and compared it to the vessel's carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to the vessel. The significant factors and assumptions used in the undiscounted projected net operating cash flow analysis included: determining the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed fleet days (the Group's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and 10-year average historical one-year time charter rates) over the remaining economic life of each vessel, net of brokerage and address commissions excluding days of scheduled off-hires, management fees for vessel operating expenses fixed until 2021 and thereafter assuming an annual increase of 3.0% every second year and a utilization rate of 99.3% based on the fleet's historical performance.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for two of our dry-bulk vessels held and used, as the undiscounted projected net operating cash flows did not exceed the carrying value for such vessels. As a result, the Group recorded an impairment loss of \$52,820 for the two dry-bulk vessels, representing the difference between the fair value and the vessels' carrying value together with the carrying value of deferred drydock and special survey costs, ballast water treatment system costs and other capitalized items, if any, related to these vessels. The impairment is presented under the caption "Impairment losses" in the combined statements of comprehensive income/(loss).

- (j) **Deferred Drydock and Special Survey Costs:** The Group's vessels are subject to regularly scheduled drydocking and special surveys which are carried out every 30 and 60 months, respectively, to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained (in rare cases) and under certain other conditions. The costs of drydocking and special surveys are deferred and amortized over the above periods or to the next drydocking or special survey date if such date has been determined. Unamortized drydocking or special survey costs of vessels sold are written off to income in the year the vessel is sold.

Costs capitalized as part of the drydocking or special survey consist principally of the actual costs incurred at the yard, and expenses relating to spare parts, paints, lubricants and services incurred solely during the drydocking or special survey period. For each of the years ended December 31, 2021 and 2020 the amortization of deferred drydock and special survey costs was \$6,148 and \$4,288, respectively.

- (k) **Deferred Financing Costs:** Deferred financing costs include fees, commissions and legal expenses associated with obtaining or modifying loan facilities. Deferred financing costs are presented as a deduction from the corresponding liability. These costs are amortized over the life of the related debt using the effective interest rate method, and are included in interest expense. Amortization and write-off of deferred financing costs for each of the years ended December 31, 2021 and 2020 were \$1,919 and \$1,863, respectively.

- (l) **Goodwill and Other Intangibles**

**Goodwill:** Goodwill is tested for impairment at the reporting unit level at least annually. Goodwill was derived from the purchase price allocation performed at the level of the Parent company during its formation in 2005 and acquisition of Kleimar N.V. in 2007. Goodwill allocated, concerns goodwill recognized by the Parent that directly relates to the Combined Dry Bulk Group. No additions or changes in goodwill during 2021 or 2020 have occurred.

The Group evaluates impairment of goodwill using a single step process following the adoption of ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350)" as of January 1, 2020. The aggregate fair value of the reporting unit is compared to its carrying amount, including goodwill. The Group determines the fair value of the reporting unit based on a combination of the income approach (i.e. discounted cash flows) and market approach (i.e. comparative market multiples) and believes that the combination of these two approaches is the best indicator of fair value for its individual reporting units. Goodwill impairment loss is measured as the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill.

As of December 31, 2021, the Group performed the impairment test for the Combined Dry Bulk Group, which, is allocated goodwill of \$56,240. The impairment test revealed that the fair value of the Combined Dry Bulk Group exceeded its carrying amount.

The fair value of the Dry Bulk Vessel Group reporting unit was estimated using a combination of income and market approaches. For the income approach, the expected present value of future cash flows used judgments and assumptions that management believes were appropriate in the circumstances. The significant factors and assumptions the Group used in its discounted cash flow analysis included: EBITDA, the discount rate used to calculate the present value of future cash flows and future capital expenditures. EBITDA assumptions included revenue assumptions, general and administrative expense growth assumptions and direct vessel expense growth assumptions. The future cash flows were determined by considering the charter revenues from existing time charters for the fixed fleet days (the Group's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average of historical one-year time-charter rates). The Group believes this approach to be objective for forecasting charter rates over an extended time period for long-lived assets and consistent with the cyclicity of the industry. In addition, a weighted average cost of capital ("WACC") was used to discount future estimated cash flows to their present values. The WACC was based on externally observable data considering market participants' and the Group's cost of equity and debt, optimal capital structure and risk factors specific to the Group. The market approach estimated the fair value of the Group's business based on comparable publicly-traded companies in its industry. In assessing the fair value, the Group utilized the results of the valuations and considered the range of fair values determined under all methods which indicated that the fair value exceeded the carrying amount.

No impairment loss was recorded for any of the periods presented for the Combined Dry Bulk Group.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**Intangible Other Than Goodwill:** The Group's intangible asset consists of the Parent's trade name. The fair value of the trade name was determined based on the "relief from royalty" method which values the trade name based on the estimated amount that a Group would have to pay in an arm's length transaction to use that trade name and derived from the purchase price allocation performed at the level of the Parent company during its formation in 2005. The trade name is amortized under the straight-line method over 32 years.

The Group reviews its trade name periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Trade name would be considered impaired if their carrying value is not recovered from the future undiscounted cash flows associated with the asset (step one). Measurement of the impairment loss is determined as the difference between the carrying amount and the fair value of the trade name. The Group determines the fair value of its trade name based on management estimates and assumptions by making use of available market data. In evaluating carrying values of intangible assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

As of December 31, 2021, the Group concluded that no events and circumstances occurred that could trigger the existence of potential impairment of the Group's trade name. As a result, step one of impairment assessment was not required as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that certain events occurred and circumstances had changed indicating a potential impairment of the Group's trade name. These changes in events and circumstances included continued volatility in the spot market, and the impact of the current dry bulk sector on management's expectation for future revenues. As a result, an impairment assessment for trade name (step one) was performed.

The significant factors and assumptions the Group used in the undiscounted cash flow analysis of its trade name included: revenue assumptions, specifically the future cash flows were determined by considering the charter revenues of the Dry Bulk Vessel Group from existing time charters for the fixed fleet days (the Group's remaining charter agreement rates) and an estimated daily time charter equivalent for the unfixed days (based on a combination of one-year average historical time charter rates and the 10-year average historical one-year time charter rates) and the respective "relief from royalty" rate applied to the future cash flows of the Dry Bulk Vessel Group.

No impairment loss was recorded for the Group's allocated intangible asset as of December 31, 2021 and 2020.

- (m) **Foreign Currency Translation:** The Group's functional and reporting currency is the U.S. dollar. The Group engages in worldwide commerce with a variety of entities. Although its operations may expose it to certain levels of foreign currency risk, its transactions are predominantly U.S. dollar denominated. The Group's wholly-owned vessel subsidiaries and the vessel management subsidiaries transact nominal operations in Euros; however, all of the subsidiaries' primary cash flows are U.S.-dollar denominated. The financial statements of the foreign operations are translated using the exchange rate at the balance sheet date except for property and equipment and equity, which are translated at historical rates. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the statements of comprehensive income/(loss). The foreign currency gains/(losses) recognized under the caption "Other expenses, net" in the combined statements of comprehensive income/(loss) for each of the years ended December 31, 2021 and 2020, were not material for any of these periods.
- (n) **Provisions and loss contingencies:** In the ordinary course of its business, the Group, is subject to various claims, suits and complaints. Management, in consultation with internal and external advisers, will provide for a contingent loss in the financial statements if the contingency had occurred at the date of the financial statements, the likelihood of loss was probable, and the loss amount can be reasonably estimated. If the Group has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Group will provide for the lower amount within the range. For further information on estimating contingent losses, see Note 11 "Commitments and Contingencies" in the combined financial statements.

The Group participates in Protection and Indemnity ("P&I") insurance plans provided by mutual insurance associations known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums (supplementary calls) to fund operating deficits incurred by the clubs ("back calls"). Obligations for back calls are accrued annually based on information provided by the P&I clubs.

Provision for losses subject to claims was provided for in the period in which estimated losses on vessels under time charter losses were determined. As of both December 31, 2021 and 2020, the balance for this provision was \$0.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**(o) Revenue and Expense Recognition:**

Revenue Recognition: Revenue is recognized when (or as) the Group transfers promised goods or services to its customers in amounts that reflect the consideration to which the Group expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Group satisfies its contractual obligations and transfers control of the promised goods or services to its customers.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Group performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Group satisfies each performance obligation.

Voyage revenues for the transportation of cargo are recognized ratably over the estimated relative transit time of each voyage. A voyage is deemed to commence when a vessel arrives at the loading port, as applicable under the contract, and is deemed to end upon the completion of the discharge of the current cargo. 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.

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 rate. Since address commissions represent a discount (sales incentive) on services rendered by the Group and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Demurrage income represents payments made by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized as it is earned.

The Group recognizes revenue ratably from the vessel's arrival at the loading port, as set forth in the applicable contract, to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract.

Revenues 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 revenue over the rental periods of such charter agreements as service is performed. However, for loss generating time charters, the loss is recognized in the period during which the loss is generated. A time-charter involves placing a vessel at the charterer's disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Charters for periods of less than three months are referred to as spot-charters. Charters for periods of three months to a year are generally referred to as medium-term charters. All other charters are considered long-term. For time-charters, the owner of the vessel typically pays the vessel's operating costs, such as crews, maintenance and insurance.

Expenses related to our revenue-generating contracts are recognized as incurred.

The following tables reflect the revenue earned per category for the years ended December 31, 2021 and 2020:

	<b>Year Ended December 31, 2021</b>	<b>Year Ended December 31, 2020</b>
COA/Voyage revenue	\$ 19,117	\$ 6,573
Time chartering revenue	\$ 300,957	\$ 132,358
Other	\$ 899	\$ 110
<b>Total</b>	<b>\$ 320,973</b>	<b>\$ 139,041</b>

**Time Charter and Voyage Expenses:** Time charter and voyage expenses comprise all expenses related to each particular voyage, including time charter hire paid and voyage freight paid, bunkers, port charges, canal tolls, cargo handling, agency fees and brokerage commissions. Also included in time charter and voyage expenses are charterers' liability insurances, allowance for credit losses on time charters and voyages in progress at year-end, direct port terminal expenses and other miscellaneous expenses. In the transition to ASC 842, the operating lease assets were adjusted for the carrying amount of the liability regarding the allowance for credit losses on time charters and voyages in progress on that date.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**Direct Vessel Expenses:** Direct vessel expenses consisted of all expenses relating to the operation of vessels, including crewing, repairs and maintenance, insurance, stores and lubricants and miscellaneous expenses such as communications and amortization of drydocking and special survey costs, net of related party management fees for vessel operating expenses. Pursuant to a management agreement dated August 29, 2019, the Manager provides commercial and technical management services to Group's vessels. The ship management services fees provided by the Manager was a fixed rate of \$3.7 per day per owned/bareboat-in vessel until August 2021, \$3.8 per day per owned/bareboat-in vessel until August 2022 and \$3.9 per day until the closing of the Transaction on September 8, 2022. The fee for the ship management services provided by the Manager is a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement will be reimbursed by the Group at cost. The Management Agreement also provides that the Group pay a termination fee equal to the fees charged for the full calendar year preceding the termination date in the event the Management Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. Total management fees for vessel operating expenses for the years ended December 31, 2021 and 2020 amounted to \$34,234 and \$31,458, respectively and are presented under the caption "Direct vessel expenses" in the combined statements of comprehensive income/(loss).

**Prepaid Voyage Costs:** Prepaid voyage costs relate to cash paid in advance for expenses associated with voyages. These amounts are recognized as expenses over the voyage or charter period.

**Deferred Income and Cash Received In Advance:** Deferred voyage revenue primarily relates to cash received from charterers prior to it being earned.

These amounts are recognized as revenue over the voyage or charter period.

**Administrative fee to affiliate companies:** Pursuant to an administrative services agreement dated August 29, 2019, the Manager provides administrative services to Group. Administrative services included: 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 general and administrative services. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Group in the event the Administrative Services Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. Total general and administrative expenses attributable to this agreement for the years ended December 31, 2021 and 2020 amounted to \$7,777 and \$6,472, respectively, and are presented under the caption "General and administrative expenses" in the combined statements of comprehensive income/(loss).

(p) **Financial Instruments:** Financial instruments carried on the balance sheet include cash and cash equivalents, restricted cash, account receivables and payables, other current assets and other liabilities, long-term debt, capital leases and available-for-sale securities. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

**Financial Risk Management:** The Group's activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, fuel prices and credit and interest rates risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

**Credit Risk:** The Group closely monitors its exposure to customers and counterparties for credit risk. The Group has entered into the Management Agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to the Group. When negotiating on behalf of the Groups' various employment contracts, the Manager has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history.

**Liquidity Risk:** Prudent liquidity risk management involves maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group monitors cash balances appropriately to meet working capital needs.

**Foreign Exchange Risk:** Foreign currency transactions are converted into the measurement currency at rates prevailing on the dates of the relevant transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the combined statements of comprehensive income/(loss).

(q) **Leases:** Leases where the Group acts as the lessor are classified as either operating or sales-type / direct financing leases. In cases of lease agreements where the Group acts as the lessor under an operating lease, the Group keeps the underlying asset on the combined balance sheets and continues to depreciate the assets over its useful life. In cases of lease agreements where the Group acts as the lessor under a sales-type / direct financing lease, the Group derecognizes the underlying asset and records a gross investment in the lease.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease.

For charters classified as operating leases where the Group is deemed the lessor, refer to Note 2(o) "Summary of Significant Accounting Policies -Revenue and Expense Recognition" to the combined financial statements. The Group acts as a lessor under operating leases in connection with all of its charter out arrangements.

In cases of lease agreements where the Group acts as lessee, the Group recognizes an operating lease asset and a corresponding lease liability on the combined balance sheet. For charters classified as operating leases where the Group is or is deemed the lessee, the expense is recognized on a straight-line basis over the rental periods of such charter agreements. The expense is included under the caption "Time charter, voyage and logistics business expenses". During the transition to ASC 842, the operating leases assets were adjusted for the carrying amount of the straight-line liabilities on that date.

In cases of sale and leaseback agreements, if the transfer of the asset to the lessor does not qualify as a sale, then the agreement constitutes a failed sale and leaseback and is accounted for as a financial liability. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset.

**Impairment of operating lease assets:** Operating lease assets used by the Group are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is determined as the difference between the carrying value and the fair value of the asset group. The Group determines the fair value of its assets based on management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions.

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

If management determines that step two of the impairment analysis is required for any of our asset groups, a discounted cash flow analysis using the Group's WACC is performed. The WACC is based on externally observable data considering market participants' and the Group's cost of equity and debt, optimal capital structure and risk factors specific to the Group. Where the undiscounted projected net operating cash flows for each asset group do not exceed the carrying value of the operating lease asset and the carrying value of deposits for the option to acquire a vessel including expenses and interest, management proceeds to perform step two of the impairment assessment.

As of December 31, 2021, the Group concluded that no events or circumstances occurred that would trigger the existence of potential impairment of its operating lease assets. As a result, no step-one impairment assessment was performed as of December 31, 2021.

During the fourth quarter of fiscal year 2020, management concluded that events occurred, and certain circumstances had changed, such that potential impairment of the Group's operating lease assets could exist. These events and circumstances included continued volatility in the spot market, the impact of such volatility on the current dry bulk sector, and the resulting effect on management's expectation for future revenues. As a result, an impairment assessment of operating lease assets (step one) was performed. The Group determined undiscounted projected net operating cash flows for each charter-in and bareboat-in vessel and compared those cash flows to each operating lease asset's carrying value together with the carrying value of deposits for the option to acquire a vessel including expenses and interest.

Factors and assumptions used in the undiscounted projected net operating cash flow analysis included a determination of the projected net operating cash flows by considering the charter revenues from existing time charters for the fixed-fleet days (the Group's remaining charter agreement rates), an estimated daily time charter equivalent for the unfixed days (based on three-year average historical time charter rates) over the remaining lease term, net of brokerage and address commissions excluding days of scheduled off-hires (for the bareboat-in vessels), and management fees for vessel operating expenses in accordance with the terms of the Management Agreement. The determination process assumed an annual increase of 3.0% every second year for the bareboat-in vessels.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

As of December 31, 2020, our assessment concluded that step two of the impairment analysis was required for one asset group, which involved a discounted cash flow analysis using the Group's WACC. As a result, the Group recorded an impairment loss of \$1,272, representing the difference between the fair value of the operating lease asset and its carrying value. The impairment loss is presented under the caption "Impairment losses" in the combined statements of comprehensive income/(loss).

- (r) **Financial Instruments and Fair Value:** Guidance on Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining the appropriate levels, the Group performs a detailed analysis of the assets and liabilities that are subject to guidance on Fair Value Measurements.

- (s) **Taxes:** The Republic of the Marshall Islands, Liberia, Panama and Malta do not impose a tax on international shipping income. Under the laws of the Republic of the Marshall Islands, Malta, Liberia and Panama, the countries of incorporation of Navios Holdings and its subsidiaries and the vessels' registration, the Group is subject to registration and tonnage taxes in the accompanying combined statements of comprehensive income/(loss).

In accordance with the currently applicable Greek law, ship owning companies of foreign-flagged vessels that are managed by Greek or foreign ship management companies having established an office/branch 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.

In Belgium, taxation on ocean shipping is based on the tonnage of the sea-going vessels from which the profit is obtained ("tonnage tax").

- (t) **Recent Accounting Pronouncements**

*Adoption of new accounting pronouncements*

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors—Certain Leases with Variable Lease Payments ("ASU 2021-05"). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021. The adoption of this ASU on January 1, 2022 did not have a material impact on the Group's combined financial statements.

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2020-4, "Reference Rate Reform (Topic 848)" ("ASU 2020-4"), which provides optional guidance intended to ease the potential burden in accounting for the expected discontinuation of LIBOR as a reference rate in the financial markets. The guidance can be applied to modifications made to certain contracts to replace LIBOR with a new reference rate. The guidance, if elected, will permit entities to treat such modifications as the continuation of the original contract, without any required accounting reassessments or remeasurements. In addition, in January 2021, the FASB issued another ASU (ASU No. 2021-01) with respect to the Reference Rate Reform (Topic 848). The amendments in this Update clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The ASU 2020-4 was effective for the Group beginning on March 12, 2020. As of December 31, 2021, the Group has not made any contract modification to replace the reference rate in any of its agreements and had evaluated that there was no impact to its combined financial statements.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 3: CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

Cash and cash equivalents and restricted cash consisted of the following:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Cash on hand and at banks	\$ 224	\$ 3,609
Restricted cash	—	158
<b>Cash and cash equivalents and restricted cash</b>	<b>\$ 224</b>	<b>\$ 3,767</b>

The bank accounts are legally owned by the entities referenced in Note 1.

Short-term deposits and highly liquid funds relate to amounts held in banks for general financing purposes and represent deposits with an original maturity of less than three months and are included in the combined balance sheets under the caption “Cash and cash equivalents”.

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. Group does maintain cash deposits and equivalents in excess of government provided insurance limits. Group reduces exposure to credit risk by dealing with a diversified group of major financial institutions.

As of December 31, 2021 and 2020, restricted cash included \$0 and \$158, respectively, which related to amounts held in retention accounts as required by certain of Group credit facilities.

**NOTE 4: ACCOUNTS RECEIVABLE, NET**

Accounts receivable consisted of the following:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Accounts receivable	\$ 21,849	\$ 21,116
Less: Allowance for credit losses	(12,663)	(11,324)
<b>Accounts receivable, net</b>	<b>\$ 9,186</b>	<b>\$ 9,792</b>

Financial instruments that potentially subject the Group to concentrations of credit risk are accounts receivable. The Group does not believe its exposure to credit risk is likely to have a material adverse effect on its financial position, results of operations or cash flows.

**NOTE 5: PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consisted of the following:

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Prepaid voyage and operating costs	\$ 1,960	\$ 1,898
Claims receivable	6,427	6,330
Other	1,599	371
<b>Total prepaid expenses and other current assets</b>	<b>\$ 9,986</b>	<b>\$ 8,599</b>

Claims receivable mainly represents claims against vessels’ insurance underwriters in respect of damages arising from accidents or other insured risks, as well as claims under charter contracts including off-hires. While it is anticipated that claims receivable will be recovered within one year, such claims may not all be recovered within one year due to the attendant process of settlement. Nonetheless, amounts are classified as current as they represent amounts currently due to the Group. All amounts are shown net of applicable deductibles.



**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 6: VESSELS, NET**

<u>Vessels, net</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
<b>Balance December 31, 2019</b>	<b>\$ 585,987</b>	<b>\$ (158,805)</b>	<b>\$ 427,182</b>
Vessel acquisition	96,678	(2,824)	93,854
Additions	773	(23,299)	(22,526)
Impairment loss	(120,037)	67,217	(52,820)
<b>Balance December 31, 2020</b>	<b>\$ 563,401</b>	<b>\$ (117,711)</b>	<b>\$ 445,690</b>
Additions	4,505	(22,809)	(18,304)
<b>Balance December 31, 2021</b>	<b>\$ 567,906</b>	<b>\$ (140,520)</b>	<b>\$ 427,386</b>

*Impairment Losses*

During the fourth quarter of the year ended December 31, 2020, the Group recorded an impairment loss of \$52,820 for two of its dry bulk vessels. No impairment loss was recorded as of December 31, 2021.

*Vessel Acquisitions*

In June 2020, following the liquidation of Navios Europe II, the Group acquired the Jupiter N and the Rainbow N, two 2011-built Panamax vessels of 93,062 dwt and 79,642 dwt, respectively, for an acquisition cost of \$24,883 in total plus working capital adjustments.

In March 2020, the Group acquired from an unrelated third party, a previously charter-in vessel, the Navios Corali, a 2015-built Capesize vessel of 181,249 dwt, for a total acquisition cost of \$36,684, which was paid in cash.

In January 2020, the Group acquired from an unrelated third party, a previously charter-in vessel, the Navios Canary, a 2015-built Capesize vessel of 180,528 dwt, for a total acquisition cost of \$35,111, which was paid in cash.

On July 29, 2022 and September 8, 2022, the Group completed the sale of 15 and 21 vessels, respectively, to Navios Partners, for an aggregate consideration of \$835,000. For further information see Note 14 "Subsequent Events" in the combined financial statements.

**NOTE 7: INTANGIBLE ASSETS OTHER THAN GOODWILL**

<u>Intangible assets</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Acquisition cost	\$ 90,000	\$ 90,000
Accumulated amortization	(45,985)	(43,175)
<b>Total intangible assets net book value</b>	<b>\$ 44,015</b>	<b>\$ 46,825</b>

Amortization expense for the years ended December 31, 2021 and 2020 amounted to \$2,810 and 2,818 respectively, are presented under the caption "Depreciation and amortization" in the combined statements of comprehensive income/(loss).

The remaining aggregate amortization of acquired intangibles as of December 31, 2021 will be as follows:

<u>Period</u>	
Year One	\$ 2,811
Year Two	2,811
Year Three	2,811
Year Four	2,818
Year Five	2,811
Thereafter	29,953
<b>Total</b>	<b>\$44,015</b>

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 8: ACCOUNTS PAYABLE**

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

	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Creditors	\$ 3,944	\$ 1,006
Brokers	2,214	1,532
Professional and legal fees	76	42
<b>Total accounts payable</b>	<b>\$ 6,234</b>	<b>\$ 2,580</b>

**NOTE 9: BORROWINGS**

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

<i>Facility</i>	<b>December 31, 2021</b>	<b>December 31, 2020</b>
Secured Credit Facilities	\$ —	\$ 9,945
Sale and Leaseback Agreements	114,837	62,934
<b>Total borrowings</b>	<b>114,837</b>	<b>72,879</b>
Less: current portion, net	(11,940)	(15,301)
Less: deferred finance costs, net	(1,196)	(97)
<b>Total long-term borrowings</b>	<b>\$ 101,701</b>	<b>\$ 56,581</b>

**Secured Credit Facilities**

During the year ended December 31, 2021, the Group repaid \$9,945 of debt, being the outstanding loan balance with Hamburg Commercial Bank AG.

As of December 31, 2021, the Group had no secured bank credit facilities following the full repayment.

*Hamburg Commercial Bank AG Facility:* On May 23, 2017, the Group entered into a facility agreement with Hamburg Commercial Bank AG (“HCOB”) for an amount of up to \$15,300 in order to partially refinance the existing facility. The facility was repayable in three quarterly equal installments of \$383, with a final balloon payment of \$8,798 on the last payment date. The loan bore interest at a rate of LIBOR plus 300 basis points. In the first quarter of 2021, the facility was repaid in full and there was no outstanding balance as of December 31, 2021.

*Hamburg Commercial Bank AG:* In December 2021, the Group entered into a loan agreement with HCOB for an amount of \$101,750, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bore interest at a rate of LIBOR plus margin ranging from 3.25% per annum to 4.50% per annum. In March 2022, Navios Holdings prepaid an amount of \$10,380 and one dry bulk vessel was released. The remaining loan balance of \$91,345 was repayable in eight quarterly installments of \$3,915, beginning three months from the date of the initial drawdown, with a final balloon payment of \$60,027 on the last repayment date. The loan facility requires compliance with certain covenants, as described below.

As of September 8, 2022, the outstanding balance of the secured credit facility was assumed by Navios Partners pursuant to the Transaction. For further information see Note 14 “Subsequent Events” in the combined financial statements.

*Credit Agricole CIB/BNP Paribas:* In December 2021, the Group entered into a loan agreement with Credit Agricole CIB (“CACIB”) and BNP Paribas (“BNPP”) for an amount of \$105,000, for the refinancing of seven drybulk vessels. On January 5, 2022, the amount under this facility was fully drawn. The loan bore interest at a rate of LIBOR plus margin ranging from 2.85% per annum to 3.75% per annum. The loan was repayable in four quarterly installments of \$6,500, beginning three months from the date of the initial drawdown, followed by eight consecutive quarterly installments of \$4,750 with a final balloon payment of \$41,000 on the last repayment date. The loan facility requires compliance with certain covenants, as described below.

As of September 8, 2022, the outstanding balance of the secured credit facility was assumed by Navios Partners pursuant to the Transaction. For further information see Note 14 “Subsequent Events” in the combined financial statements.

The facilities are secured by first priority mortgages on certain of Group’ vessels and other collateral.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

The credit facilities contained a number of restrictive covenants that limited Group and/or certain of its subsidiaries from, among other things: incurring or guaranteeing indebtedness; entering into affiliate transactions; charging, pledging or encumbering the vessels securing such facilities; changing the flag, class, management or ownership of certain Group' vessels; changing the commercial and technical management of certain Group' vessels; selling or changing the ownership of certain Group' vessels; and subordinating the obligations under the credit facilities to any general and administrative costs relating to the vessels. The credit facilities also required the vessels to comply with the ISM Code and ISPS Code and to maintain valid safety management certificates and documents of compliance at all times. Additionally, the credit facilities required compliance with the covenants contained in the indentures governing the 11.25% Senior Notes due 2022 ("2022 Senior Secured Notes") and the 9.75% Senior Notes due 2024 ("2024 Notes"). Among other events, it would have been an event of default under the credit facilities if Navios Holdings failed to maintain the financial covenants or if Angeliki Frangou and her affiliate companies owned (in the aggregate) less than 10% of the outstanding share capital of Group.

The Group's secured credit facilities, which were drawn in January 2022, require compliance with maintenance covenants. Depending on the facility, these covenants include: (i) value-to-loan ratio covenants, based on charter-free valuations, ranging from over 125% to 133%, (ii) minimum liquidity up to a maximum of \$10,000, (iii) total debt divided by total assets, as defined in each credit facility, of 75%; and (iv) net worth, as defined in the credit facility, of \$125,000.

*Sale and Leaseback Agreements*

In the first quarter of 2020, the Group entered into two sale and leaseback agreements of \$68,000 in total, with unrelated third parties for two Capesize vessels. The Group had no purchase obligation to acquire the vessels at the end of the lease term, however, it was reasonably certain that respective purchase options would be exercised and under ASC 842-40, the transfer of the vessels were determined to be a failed sale. In accordance with ASC 842-40, the Group did not derecognize the respective vessels from its balance sheet and accounted for the amounts received under the sale and leaseback agreements as a financial liability.

The sale and leaseback agreements for the two Capesize vessels were repayable by 144 consecutive monthly payments of approximately \$224 and \$238 each, commencing as of January 2020 and March 2020, respectively. The agreements mature in the fourth quarter of 2031 and first quarter of 2032, respectively, with a balloon payment of \$750 per vessel on the last repayment date.

In December 2021, the Group entered into four new sale and leaseback agreements of \$77,000 in total, with unrelated third parties, in order to finance four dry bulk vessels. In December 2021, three of the four new sale and leaseback agreements were drawn down amounting to \$58,000 in total.

Two dry bulk vessels are repayable by 96 consecutive payments of approximately \$481 each, commencing as of December 2021. One dry bulk vessel is repayable by 72 consecutive monthly payments of approximately \$688, commencing as of December 2021. Two of the agreements mature in the fourth quarter of 2029 and one in the fourth quarter of 2027, respectively, with a balloon payment of \$3,600 each for two dry bulk vessels and \$3,500 for one dry bulk vessel on the last repayment date.

As of December 31, 2021, the outstanding balance under the sale and leaseback agreements was \$114,837 in total.

The fourth sale and leaseback agreement amounting to \$19,000 was drawn down in January, 2022, and is repayable by 84 consecutive monthly payments of approximately \$643. The fourth sale and sale and leaseback agreement matures in the first quarter of 2029 with a balloon payment of \$1,000.

In March 2022, the Group entered into a sale and leaseback agreement to finance one dry bulk vessel. The fifth sale and leaseback agreement amounting to \$12,000 was drawn down in March 2022, and is repayable by 60 consecutive monthly payments of approximately \$521. The fifth sale and leaseback agreement matures in the first quarter of 2027 with a balloon payment of \$1,600.

In the third quarter of 2022, the Group completed the acquisition of a previously chartered-in vessel, Navios Sky. In the third quarter of 2022, the Group entered into a sale and leaseback agreement to finance a dry bulk vessel. The eighth sale and leaseback agreement amounting to \$22,000 was drawn down in the third quarter 2022, and was repayable by 120 consecutive monthly payments of approximately \$158. The eighth sale and leaseback agreement matures in the third quarter of 2032 with a balloon payment of \$3,000.

The sale and leaseback agreements had no financial covenants.

As of September 8, 2022, the outstanding balances of the sale and leaseback agreements were assumed by Navios Partners pursuant to the Transaction. For further information see Note 14 "Subsequent Events" in the combined financial statements.

During the year ended December 31, 2021, the Group in relation to its secured credit facilities paid \$6,097 related to scheduled repayment installments and \$9,945 related to the prepayment of one of Group's credit facilities. During the year ended December 31, 2021, the proceeds from the three sale and leaseback agreements were \$58,000.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

During the year ended December 31, 2020, the Group in relation to its secured credit facilities paid \$6,596 related to scheduled repayment installments of Group's credit facilities. During the year ended December 31, 2020, the proceeds from the two sale and leaseback agreements were \$68,000.

The annualized weighted average interest rates of the Group's total borrowings for the years ended December 31, 2021 and 2020 were 6.86% and 6.89%, respectively.

The maturity table below reflects the principal payments for the next five years and thereafter of all borrowings of Group's outstanding as of December 31, 2021, based on the repayment schedules of the respective loan facilities and the outstanding amount due under the debt securities.

<u>Payment due by period</u>	
2022	\$ 12,139
2023	12,139
2024	12,150
2025	12,139
2026	12,139
2027 and thereafter	54,131
<b>Total</b>	<b><u><u>\$114,837</u></u></b>

**NOTE 10: 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 combined balance sheets for interest bearing deposits and money market funds approximate their fair value because of the short maturity of these investments.

**Restricted cash:** The carrying amounts reported in the combined balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

**Borrowings:** The book value has been adjusted to reflect the net presentation of deferred financing costs. The outstanding balance of the floating rate loans continues to approximate its fair value, excluding the effect of any deferred financing costs. The 2022 Notes (which as of the date of this Report have been repaid in full) and two sale and leaseback agreements (which as of the date of this Report have been assigned to Navios Partners pursuant to the Transaction) are fixed rate borrowings and their fair value was determined based on quoted market prices.

**Investments in available-for-sale securities:** The carrying amount of the investments in available-for-sale securities reported in the combined balance sheets represents unrealized gains and losses on these securities, which are reflected in the combined statements of comprehensive income/(loss).

The estimated fair values of the Group's financial instruments are as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 224	\$ 224	\$ 3,609	\$ 3,609
Restricted cash	\$ —	\$ —	\$ 158	\$ 158
Investments in available-for-sale-securities	\$ 219	\$ 219	\$ 232	\$ 232
Long-term debt, including current portion	\$(113,641)	\$(114,837)	\$ (71,882)	\$ (72,879)

The following table sets forth our assets that are measured at fair value on a recurring basis categorized by fair value hierarchy level. As required by the fair value guidance, assets are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

	<u>Fair Value Measurements as of December 31, 2021</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level I)</u>	<u>Significant Other Observable Inputs (Level II)</u>	<u>Significant Unobservable Inputs (Level III)</u>
Investments in available-for-sale-securities	\$219	\$ 219	\$ —	\$ —
<b>Total</b>	<b><u><u>\$219</u></u></b>	<b><u><u>\$ 219</u></u></b>	<b><u><u>\$ —</u></u></b>	<b><u><u>\$ —</u></u></b>

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

	Fair Value Measurements as of December 31, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in available-for-sale-securities	\$232	\$ 232	\$ —	\$ —
<b>Total</b>	<b>\$232</b>	<b>\$ 232</b>	<b>\$ —</b>	<b>\$ —</b>

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

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

	Fair Value Measurements as of December 31, 2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Vessels, net	\$31,410	\$ —	\$ 31,410	\$ —
Operating lease assets	\$ 9,570	\$ —	\$ 9,570	\$ —
<b>Total</b>	<b>\$40,980</b>	<b>\$ —</b>	<b>\$ 40,980</b>	<b>\$ —</b>

The Group recorded an impairment loss of \$52,820 during the year ended December 31, 2020 for two of its vessels, the fair value of which is measured at \$31,410, as at December 31, 2020.

The Group recorded an impairment loss of \$1,272 during the year ended December 31, 2020 for one of its charter-in vessels, the fair value of which is measured at \$9,570, as at December 31, 2020.

**Fair Value Measurements**

The estimated fair value of our financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that we have the ability to access. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable.

	Fair Value Measurements at December 31, 2021			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 224	\$ 224	\$ —	\$ —
Restricted cash	\$ —	\$ —	\$ —	\$ —
Investments in available-for-sale-securities	\$ 219	\$ 219	\$ —	\$ —
Long-term debt, including current portion <sup>(1)</sup>	\$(114,837)	\$ —	\$(114,837)	\$ —

	Fair Value Measurements at December 31, 2020			
	Total	(Level I)	(Level II)	(Level III)
Cash and cash equivalents	\$ 3,609	\$ 3,609	\$ —	\$ —
Restricted cash	\$ 158	\$ 158	\$ —	\$ —
Investments in available-for-sale-securities	\$ 232	\$ 232	\$ —	\$ —
Long-term debt, including current portion <sup>(1)</sup>	\$(72,879)	\$ —	\$(72,879)	\$ —

(1) The fair value of the Group's long-term debt is estimated based on currently available debt with similar contract terms, interest rates and remaining maturities, published quoted market prices as well as taking into account the Group's creditworthiness.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

In December 2017, the Group agreed to charter-in, under a ten year bareboat contract, from an unrelated third party the Navios Galaxy II, a newbuilding bulk carrier vessel of 81,789 dwt. On March 30, 2020, the Group took delivery of the Navios Galaxy II. The Group has agreed to pay in total \$5,410 representing a deposit for the option to acquire the vessel, of which \$2,705 was paid during the year ended December 31, 2019. As of both December 31, 2021 and 2020, the total amount of \$6,704, including expenses and interest, is presented under the caption "Other long-term assets".

In January 2018, the Group agreed to charter-in, under two ten-year bareboat contracts, from an unrelated third party the Navios Herakles I and the Navios Uranus, two newbuilding bulk carriers of 82,036 dwt and 81,516 dwt, respectively. On August 28, 2019, the Group took delivery of the Navios Herakles I. On November 28, 2019, the Group took delivery of the Navios Uranus. The Group has agreed to pay in total \$11,140, representing a deposit for the option to acquire these vessels, of which \$8,340 was paid during the year ended December 31, 2018 and the remaining \$2,800 was paid during the year ended December 31, 2019. As of both December 31, 2021 and 2020, the total amount of \$14,070, including expenses and interest, is presented under the caption "Other long-term assets".

In April 2018, the Group agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party the Navios Felicity I, a newbuilding bulk carrier of 81,946 dwt. On January 17, 2020, the Group took delivery of the Navios Felicity I. The Group has agreed to pay in total \$5,590, representing a deposit for the option to acquire this vessel, of which \$2,795 was paid during the year ended December 31, 2018 and the remaining \$2,795 was paid during the year ended December 31, 2019. As of both December 31, 2021 and 2020, the total amount of \$7,193, including expenses and interest, is presented under the caption "Other long-term assets".

In October 2018, the Group agreed to charter-in, under one ten-year bareboat contract, from an unrelated third party the Navios Magellan II, a newbuilding bulk carrier of 82,037 dwt. On May 15, 2020, the Group took delivery of the Navios Magellan II. The Group has agreed to pay in total \$5,820, representing a deposit for the option to acquire this vessel, of which \$2,910 was paid during the year ended December 31, 2018 and the remaining \$2,910 was paid during the year ended December 31, 2019. As of both December 31, 2021 and 2020, the total amount of \$7,506, including expenses and interest, is presented under the caption "Other long-term assets".

The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes that the final outcome will not have a significant effect on the Group's operating results or financial position and that no additional provisions over and above provisions already reflected in the combined financial statements are required.

***Guarantees:***

*2022 Notes*

As explained in Note 1, for the purpose of the preparation of these combined financial statements, the outstanding balance under the 2022 Notes has been allocated to the Group. For further information, see also Note 12 "Transactions with related parties".

The 2022 Notes are fully and unconditionally guaranteed on a joint and several basis by all of the subsidiaries of Navios Holdings with the exception of Navios Maritime Finance II (US) Inc. (a co-issuer of the ship mortgage notes). The guarantees of the Group that own mortgaged vessels are senior secured guarantees.

*2022 Senior Secured Notes*

On November 21, 2017, Navios Holdings and its wholly-owned subsidiary, Navios Maritime Finance II (US) Inc. (together with Navios Holdings, the "Co-Issuers") issued \$305,000 of 11.25% Senior Notes due in 2022. As of December 31, 2021 and 2020, the outstanding balance of the bond amounted to \$155,000 and \$305,000 respectively. In addition, the 2022 Senior Secured Notes are guaranteed by all of the direct and indirect subsidiaries of Navios Holdings, except for certain subsidiaries designated as unrestricted subsidiaries, including Navios Logistics. The subsidiary guarantees are "full and unconditional", except that the indenture provides for an individual subsidiary's guarantee to be automatically released in certain circumstances, such as when a subsidiary is sold or all of the assets of the subsidiary are sold, the capital stock is sold, when the subsidiary is designated as an "unrestricted subsidiary" for purposes of the indenture, upon liquidation or dissolution of the subsidiary or upon legal or covenant defeasance or satisfaction and discharge of the 2022 Senior Secured Notes.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

**NOTE 12: TRANSACTIONS WITH RELATED PARTIES**

**Vessel Operating Expenses (management fees):** Pursuant to a management agreement dated August 29, 2019 (the “Management Agreement”) with N Shipmanagement Inc., a subsidiary of N Shipmanagement Acquisition Corp. (together with its subsidiaries, “NSM” or the “Manager”), the Manager provides commercial and technical management services to Group’ vessels. The term of this agreement is for an initial period of five years with an automatic extension period of five years thereafter unless a notice for termination is received by either party. The ship management services fees provided by the Manager was a fixed rate of \$3.7 per day per owned/bareboat-in vessel until August 2021, \$3.8 per day per owned/bareboat-in vessel until August 2022 and \$3.9 per day until the closing of the Transaction on September 8, 2022. The fee for the ship management services provided by the Manager is a daily fee of \$0.03 per day per charter-in vessel. Drydocking expenses under this agreement are reimbursed by Group at cost. Total additions for drydocking repairs for the years ended December 31, 2021 and 2020 amounted to \$13,326 and \$11,103, respectively and are presented under the caption “Deferred dry dock and special survey costs, net”. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Group in the event the Management Agreement is terminated on or before August 29, 2024, upon the occurrence of certain events. Total management fees for vessel operating expenses for the years ended December 31, 2021 and 2020 amounted to \$34,234 and \$31,458, respectively and are presented under the caption “Direct vessel expenses” in the combined statements of comprehensive income/(loss). During the years ended December 31, 2021 and 2020, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$2,803 and \$112, respectively, and are presented under the caption “Direct vessel expenses” in the combined statements of comprehensive income/(loss).

**General and administrative expenses:** Pursuant to an administrative services agreement dated August 29, 2019 (the “Administrative Services Agreement”), the Manager provides administrative services to Group. The Manager is reimbursed for reasonable costs and expenses incurred in connection with the provision of these services. The term of this agreement is for an initial period of five years with an automatic extension for a period of five years thereafter unless a notice of termination is received by either party. The agreement also provides for payment of a termination fee, equal to the fees charged for the full calendar year preceding the termination date, by Group in the event the Administrative Services Agreement is terminated on or before August 29, 2024. Total general and administrative expenses attributable to this agreement for the years ended December 31, 2021 and 2020 amounted to \$7,777 and \$6,472, respectively, and are presented under the caption “General and administrative expenses” in the combined statements of comprehensive income/(loss).

**Balance due to related parties, net:** Balances due to related parties relate to amounts due to both Navios Holdings and its subsidiaries, as well as to NSM.

Amounts due to NSM as of December 31, 2021 and 2020 were \$20,643 and \$22,396, respectively, which consisted of management fees, administrative fees and other operating amounts in connection with dry-dock, ballast water treatment system and special survey of our vessels and are presented under the caption “Due to related parties, net” in the combined statements of financial position.

Amounts due to Navios Holdings as of December 31, 2021 and 2020 were \$386,575 and \$491,095, respectively. The balance as of December 31, 2021 mainly consisted of (i) the 2022 Notes bond balance amounted to \$455,393, net of deferred finance costs of \$73 and (ii) the accrued bond interest amounted to \$15,432 mitigated by the restricted cash amounted to \$84,250 held as cash collateral in an escrow account, concerning the release of Navios Lumen, Navios Stellar and Navios Phoenix, from the 2022 Notes. Of the outstanding amount, \$196,000 is presented under the caption “Due to related parties, net” in the combined statements of financial position and the remaining \$190,575 under the caption “Due to related parties, net of current portion” in the combined statements of financial position. The balance as of December 31, 2020 mainly consisted of (i) the 2022 Notes bond balance amounted to \$474,977, net of deferred finance costs of \$1,845 and (ii) the accrued bond interest amounted to \$16,118. Of the outstanding amount, \$16,118 is presented under the caption “Due to related parties, net” in the combined statements of financial position.

*2022 Notes*

As explained in Note 1, for the purpose of the preparation of these combined financial statements, the outstanding balance under the 2022 Notes has been allocated to the Group.

On November 29, 2013, Navios Holdings and its wholly owned subsidiary, Navios Maritime Finance II (US) Inc. (together with Navios Holdings, the “Co-Issuers”) completed the sale of \$650,000 of 7.375% First Priority Ship Mortgage Notes due 2022 (the “2022 Notes”). During 2020, the Group repurchased \$20,782 in par value of the 2022 Notes for a cash consideration of \$9,443 resulting in a gain on bond extinguishment of \$11,204, net of deferred financing costs written-off. During 2021, the Company repurchased \$21,356 in par value of the 2022 Notes for cash consideration of \$18,588 resulting in a gain on bond extinguishment of \$2,728, net of deferred financing costs written-off. After these repurchases, the remaining amount of 2022 Notes was \$455,466 as at December 31, 2021.

**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

In January 2022, the Group fully repaid the outstanding balance of \$455,466 on the 2022 Notes using (i) \$206,725 under two credit facilities with commercial banks; (ii) \$77,000 under four sale and leaseback agreements; (iii) \$100,000 of additional financing from NSM; and (iv) cash from operations. In addition, as of December 31, 2021, \$158,873 of 2022 Notes held by the Group that had previously been pledged as collateral to NSM, were cancelled.

*Guarantees:*

Refer to Note 11 “Commitments and Contingencies”.

**Omnibus Agreements:** Navios Holdings has entered into an omnibus agreement with Navios Partners (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.

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

Navios Holdings entered into an omnibus agreement with Navios Midstream, Navios Acquisition and Navios Partners in connection with the Navios Midstream IPO, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have agreed not to acquire or own any VLCCs, crude oil tankers, refined petroleum product tankers, LPG tankers or chemical tankers under time charters of five or more years without the consent of Navios Midstream. The omnibus agreement contains significant exceptions that will allow Navios Acquisition, Navios Holdings, Navios Partners or any of their controlled affiliate companies to compete with Navios Midstream under specified circumstances.

Navios Holdings entered into an omnibus agreement with Navios Containers, Navios Acquisition, and Navios Partners, pursuant to which Navios Acquisition, Navios Holdings, Navios Partners and their controlled affiliate companies generally have granted a right of first refusal to Navios Containers over any container vessels to be sold or acquired in the future, subject to significant exceptions. The right of first refusal would allow Navios Acquisition, Navios Holdings and Navios Partners or any of their controlled affiliate companies to compete with Navios Containers under specified circumstances.

**NOTE 13: LEASES**

***Operating Leases***

*Time charter out contracts*

The Group’s contract revenues from time chartering are governed by ASC 842.

*Time charter-in and bareboat-in contracts*

As of December 31, 2021, the Group had time charter-in and bareboat-in contracts whose remaining lease terms ranged from less than 0.3 years to 8.5 years. Certain operating leases have optional periods. Based on management estimates and market conditions, the lease term of these leases is being assessed at each balance sheet date. The Group will continue to recognize the lease payments for all operating leases as charter hire expense on the combined statements of comprehensive income/(loss) on a straight-line basis over the lease term.

Lease expenses for charter-in contracts are \$60,499 and \$65,604 for the years ended December 31, 2021 and 2020, respectively and are presented in the combined statement of comprehensive income/(loss) under the caption “Time charter, voyage and logistics business expenses”.

During the year ended December 31, 2021 and 2020, the Group recorded an impairment loss of \$0 and \$1,272 for one of its charter-in vessels.



**COMBINED DRY BULK GROUP OF COMPANIES  
A FLEET OF NAVIOS MARITIME HOLDINGS INC.**

**NOTES TO THE  
COMBINED FINANCIAL STATEMENTS  
(Expressed in thousands of U.S. dollars)**

The table below provides the total amount of lease payments on an undiscounted basis on our charter-in contracts and office lease agreements as of December 31, 2021:

	<b>Charter-in vessels in operation</b>
December 31, 2022	\$ 68,145
December 31, 2023	55,103
December 31, 2024	39,788
December 31, 2025	19,076
December 31, 2026	15,142
December 31, 2027 and thereafter	30,793
<b>Total</b>	<b>\$228,047</b>
<b>Operating lease liabilities, including current portion</b>	<b>\$189,828</b>
<b>Discount based on incremental borrowing rate</b>	<b>\$ 38,219</b>

As of December 31, 2021 and 2020, the weighted average remaining lease terms on our charter-in contracts (including bareboat-in contracts 4.7 and 5.2 years respectively.

**Finance Leases**

In the second quarter of 2022, the Group exercised the option to purchase the charter-in vessel Navios Sky. In accordance with ASC 842, the Group re-assessed the respective lease agreement and concluded the option would be accounted for as a lease modification. Accordingly, the Group recognized a finance lease asset and a corresponding finance lease liability.

**NOTE 14: SUBSEQUENT EVENTS**

- 1) In January 2022, the HCOB bank facility (as defined herein) was drawn down.
- 2) In January 2022, the CACIB/BNP bank facility (as defined herein) was drawn down.
- 3) In January 2022, the fourth sale and sale and leaseback agreement was drawn down.
- 4) In January 2022, the 2022 Notes were repaid in full.
- 5) In March 2022, the Group prepaid \$10,380 in connection with HCOB bank facility to release a dry bulk vessel.
- 6) In March 2022, the Group entered into a sale and leaseback agreement for \$12,000 to finance a vessel, which was drawn in the first quarter of 2022
- 7) In July 2022, the Group entered into a sale and leaseback agreement amounting to \$22,000 to finance a dry bulk vessel, which was drawn in the third quarter of 2022.

For information on the Group's various loan facilities and sale/leaseback agreements, see Note 9 "Borrowings" to the combined financial statements.

- 8) On July 26, 2022, Navios Holdings agreed to sell its 36-vessel dry bulk fleet for an aggregate consideration of \$835,000 consisting of cash and the assumption of bank debt and finance leases related to the vessels and subject to working capital adjustment at closing, to Navios Partners. The closing of the Transaction was subject to customary closing conditions, including receipt of certain consents required in connection with Navios Partners' assumption of bank debt in connection with the Transaction. The closing of the Transaction was effected in two tranches. The first tranche, involving the transfer of 15 vessels, was completed on July 29, 2022. The second tranche, involving the remaining 21 vessels, was completed on September 8, 2022.

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma condensed combined financial information as of and for the six months ended June 30, 2022 and for the year ended December 31, 2021 have been derived from (i) the historical consolidated financial statements of Navios Maritime Partners L.P. (“Navios Partners”) and the historical combined financial statements of the dry bulk group of companies, a fleet of Navios Maritime Holdings Inc. (“Navios Holdings”) (the “Dry Bulk Group of Navios Holdings”) and (ii) applying to them transaction accounting adjustments based upon assumptions that management believes to be reasonable and which are described in the footnotes included hereto. The unaudited pro forma condensed combined balance sheet (“unaudited Pro Forma Condensed Combined Balance Sheet”) is presented as if the acquisition of the Dry Bulk Group of Navios Holdings had occurred on June 30, 2022. The unaudited pro forma condensed combined statements of operations (“unaudited Pro Forma Condensed Combined Statements of Operations”) for the year ended December 31, 2021 and the six month period ended June 30, 2022 are presented as if the acquisition of the Dry Bulk Group of Navios Holdings had occurred on January 1, 2021. We refer to the unaudited Pro Forma Condensed Combined Balance Sheet and the unaudited Pro Forma Condensed Combined Statements of Operations together as the “unaudited pro forma condensed combined financial information”.

**Basis of Presentation**

The unaudited pro forma condensed combined financial information reflect the application of transaction accounting adjustments (such as fair values of vessels, intangibles, financing liabilities) and are based upon available information and certain assumptions, described in the accompanying notes hereto, that management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information has been prepared by management and are not necessarily indicative of the financial position or results of operations that would have been realized had the acquisition of the Dry Bulk Group of Navios Holdings occurred as of the dates indicated above, nor is it meant to be indicative of any anticipated financial position or future results of operations that Navios Partners or the Dry Bulk Group of Navios Holdings will experience going forward. In addition, the accompanying unaudited Pro Forma Condensed Combined Statements of Operations do not reflect any expected cost savings or restructuring actions that Navios Partners or the Dry Bulk Group of Navios Holdings expect to incur or generate.

The unaudited pro forma condensed combined financial information is based upon, has been derived from and should be read in conjunction with, the audited historical consolidated financial statements of Navios Partners for the fiscal year ended December 31, 2021, filed on Form 20-F, as filed with the SEC on April 12, 2022 and the audited historical combined financial statements of the Dry Bulk Group of Navios Holdings for the fiscal year ended December 31, 2021 included as Exhibit 99.3 to Navios Partners’ Form 6-K for the period ended September 30, 2022 filed with the SEC on December 7, 2022, the unaudited historical condensed consolidated financial statements of Navios Partners as of June 30, 2022 and for the six month period ended June 30, 2022 filed on Form 6-K, as filed with the SEC on September 13, 2022, and the unaudited historical condensed combined financial statements of the Dry Bulk Group of Navios Holdings as of June 30, 2022 and for the six month period ended June 30, 2022, included as Exhibit 99.3 to Navios Partners’ Form 6-K for the period ended September 30, 2022, filed with the SEC on December 7, 2022 (in each case, prepared in accordance with U.S. GAAP).

## UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Certain reclassifications have been made to the historical presentation of Combined Dry Bulk Group of Navios Holdings to conform to the financial statement presentation of Navios Partners, as follows: (a) Navios Partners presents “Inventories” within “Prepaid expenses and other current assets”, while Dry Bulk Group of Navios Holdings presents “Inventories” as a separate caption in the condensed combined balance sheets. An amount of \$3,338 relating to “Inventories” of Dry Bulk Group of Navios Holdings has been presented within “Prepaid Expenses and other current assets” in the unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2022, in order to conform to Navios Partners’ presentation; (b) Navios Partners presents separately “Current portion of financial liabilities, net” from “Current portion of long-term debt, net” and “Long-term financial liabilities, net” from “Long-term debt, net”, while Dry Bulk Group of Navios Holdings presents “Current portion of financial liabilities, net” within “Current portion of long-term debt, net” and “Long-term financial liabilities, net” within “Long-term debt, net”. An amount of \$18,427 relating to “Current portion of financial liabilities, net” has been presented in “Current portion of financial liabilities, net” and an amount of \$135,282 relating to “Long-term financial liabilities, net” has been presented in “Long-term financial liabilities, net” in the unaudited Pro Forma Condensed Combined Balance Sheet of Dry Bulk Group of Navios Holdings as of June 30, 2022, in order to conform to Navios Partners’ presentation; (c) Navios Partners presents “Finance lease liability, current portion” within “Current portion of financial liabilities, net” and “Finance lease liability, net of current portion” within “Long-term financial liabilities, net” while the Dry Bulk Group of Navios Holdings presents “Finance lease liability, current portion” and “Finance lease liability, net of current portion” as a separate caption in the condensed combined balance sheets. An amount of \$1,900 and \$15,385, relating to “Current portion of financial liabilities, net” and “Finance lease liability”, respectively, has been presented within “Current portion of financial liabilities, net” and “Long-term financial liabilities, net” in the unaudited Pro Forma Condensed Combined Balance Sheet of Dry Bulk Group of Navios Holdings, as of June 30, 2022, in order to conform to Navios Partners’ presentation; (d) Navios Partners presents vessels under finance leases within “Vessels, net”, while Dry Bulk Group of Navios Holdings presents vessels under finance leases under the caption “Finance lease assets” in the condensed combined balance sheets. An amount of \$19,254 relating to “Finance lease assets” has been presented within “Vessels, net” in the unaudited Pro Forma Condensed Combined Balance Sheet of the Dry Bulk Group of Navios Holdings as of June 30, 2022, in order to conform to Navios Partners’ presentation; (e) Navios Partners presents “Tonnage Tax Expense” within “Other expenses, net”, while the Dry Bulk Group of Navios Holdings presents “Tonnage Tax Expense” as a separate caption in the condensed combined statements of operations. An amount of \$98 and \$39, relating to “Income Tax Expense” has been presented within “Other expense, net” in the unaudited Pro Forma Condensed Combined Statements of Operations of Dry Bulk Group of Navios Holdings for the year ended December 31, 2021 and for six month period ended June 30, 2022, respectively, in order to conform to Navios Partners’ presentation; (f) Navios Partners presents separately “Vessel operating expenses” from “Direct vessel expenses”, while the Dry Bulk Group of Navios Holdings presents “Vessel operating expenses” within “Direct vessel expenses”. An amount of \$34,234 and \$17,297, relating to “Vessel operating expenses” has been presented within “Vessel operating expenses” in the unaudited Pro Forma Condensed Combined Statements of Operations of Dry Bulk Group of Navios Holdings for the year ended December 31, 2021 and for six month period ended June 30, 2022, respectively, in order to conform to Navios Partners’ presentation; (g) Navios Partners presents “Allowance for credit losses” within “Other expenses, net”, while Dry Bulk Group of Navios Holdings presents “Allowance for credit losses” as a separate caption in the condensed combined statements of operations. An amount of \$1,339, relating to “Allowance for credit losses” has been presented within “Other expense, net” in the unaudited Pro Forma Condensed Combined Statements of Operations of the Dry Bulk Group of Navios Holdings for the year ended December 31, 2021, in order to conform to Navios Partners’ presentation.

**NAVIOS MARITIME PARTNERS L.P.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**As of June 30, 2022**  
**(Expressed in thousands of U.S. dollars)**

	Navios Partners	Dry Bulk Group of Navios Holdings	Other Material Transactions	Notes	Dry Bulk Group of Navios Holdings Transaction Accounting Adjustments	Notes	Pro forma Combined
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	163,362	6,818	215,250	(1)	(370,638)	(2)	14,792
Restricted cash	11,262	8,716	—		—		19,978
Vessels held for sale	—	—	—		13,965	(2)	13,965
Accounts receivable, net	41,796	7,016	—		—		48,812
Amounts due from related parties	14,722	—	—		—		14,722
Prepaid expenses and other current assets	61,588	12,395	—		—		73,983
<b>Total current assets</b>	<b>292,730</b>	<b>34,945</b>	<b>215,250</b>		<b>(356,673)</b>		<b>186,252</b>
Vessels, net	2,786,914	436,701	(66,454)	(1)	541,674	(2)	3,698,835
Deposits for vessels acquisitions	107,526	—	—		—		107,526
Other long-term assets	48,689	35,690	—		(35,690)	(2)	48,689
Deferred dry dock and special survey costs, net	83,206	24,983	(5,032)	(1)	(24,983)	(2)	78,174
Amounts due from related parties	36,302	—	—		—		36,302
Goodwill	—	56,240	—		(56,240)	(2)	—
Intangible assets	87,992	42,621	—		(26,831)	(2)	103,782
Operating lease assets	235,822	141,970	—		(96,302)	(2)	281,490
<b>Total non-current assets</b>	<b>3,386,451</b>	<b>738,205</b>	<b>(71,486)</b>		<b>301,628</b>		<b>4,354,798</b>
<b>Total assets</b>	<b>3,679,181</b>	<b>773,150</b>	<b>143,764</b>		<b>(55,045)</b>		<b>4,541,050</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>							
<b>Current liabilities</b>							
Accounts payable	29,489	5,250	—		—		34,739
Accrued expenses	16,445	2,904	—		—		19,349
Deferred revenue	24,160	5,024	—		—		29,184
Operating lease liabilities, current portion	18,729	51,745	—		(35,374)	(2)	35,100
Amounts due to related parties	—	44,795	—		—		44,795
Current portion of financial liabilities, net	84,710	18,427	—		53,533	(2)	156,670
Current portion of long-term debt, net	136,591	38,907	—		1,001	(2)	176,499
<b>Total current liabilities</b>	<b>310,124</b>	<b>167,052</b>	<b>—</b>		<b>19,160</b>		<b>496,336</b>
Operating lease liabilities, net	216,138	110,823	—		(96,838)	(2)	230,123
Unfavorable lease terms	83,055	—	—		388	(2)	83,443
Long-term financial liabilities, net	413,790	135,282	—		224,869	(2)	773,941
Long-term debt, net	652,252	145,326	—		696	(2)	798,274
Other long-term liabilities	33,272	—	—		3,533	(2)	36,805
<b>Total non-current liabilities</b>	<b>1,398,507</b>	<b>391,431</b>	<b>—</b>		<b>132,648</b>		<b>1,922,586</b>
<b>Total liabilities</b>	<b>1,708,631</b>	<b>558,483</b>	<b>—</b>		<b>151,808</b>		<b>2,418,922</b>
<b>Commitments and contingencies</b>							
<b>Partners' capital/ stockholders' equity</b>							
Partners' capital/stockholders' equity	1,970,550	214,667	143,764		(206,853)	(2)	2,122,128
<b>Total partners' capital/ stockholders' equity</b>	<b>1,970,550</b>	<b>214,667</b>	<b>143,764</b>		<b>(206,853)</b>		<b>2,122,128</b>
<b>Total liabilities and partners' capital/ stockholders' equity</b>	<b>3,679,181</b>	<b>773,150</b>	<b>143,764</b>		<b>(55,045)</b>		<b>4,541,050</b>

See accompanying notes to the unaudited Pro Forma Condensed Combined Financial Statements

**NAVIOS MARITIME PARTNERS L.P.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**  
**For the six month period ended June 30, 2022**  
**(Expressed in thousands of U.S. dollars, except unit data)**

	Navios Partners	Dry Bulk Group of Navios Holdings	Dry Bulk Group of Navios Holdings Transaction Accounting Adjustments	Notes	Proforma Combined
Time charter and voyage revenues	\$ 517,278	\$ 158,691	\$ —		\$ 675,969
Time charter and voyage expenses	(38,861)	(32,265)	14,900	(2)	(56,226)
Direct vessel expenses	(24,113)	(5,484)	3,828	(2)	(25,769)
Vessel operating expenses	(147,161)	(17,297)	(6,287)	(2)	(170,745)
General and administrative expenses	(28,086)	(7,497)	—		(35,583)
Depreciation and amortization of intangible assets	(84,550)	(13,072)	(14,047)	(2)	(111,669)
Amortization of unfavorable lease terms	39,426	—	—		39,426
Interest expense and finance cost, net	(27,749)	(10,427)	(10,324)	(2)	(48,500)
Interest income	24	—	—		24
Other expense, net	(2,383)	(1,659)	—		(4,042)
<b>Net income attributable to Navios Partners' unitholders</b>	<b><u>\$ 203,825</u></b>	<b><u>\$ 70,990</u></b>	<b><u>\$ (11,930)</u></b>	<b>(2)</b>	<b><u>\$ 262,885</u></b>
<b>Net income attributable to Navios Partners' common unitholders</b>					<b>257,627</b>
<b>Pro forma basic income per unit attributable to common unitholders</b>				<b>(3)</b>	<b>8.54</b>
<b>Pro forma basic weighted average common units</b>					<b>30,154,171</b>
<b>Pro forma diluted income per unit attributable to common unitholders</b>				<b>(3)</b>	<b>8.53</b>
<b>Pro forma diluted weighted average common units</b>					<b>30,197,087</b>

See accompanying notes to the unaudited Pro Forma Condensed Combined Financial Statements

**NAVIOS MARITIME PARTNERS L.P.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**  
**For the year ended December 31, 2021**  
**(Expressed in thousands of U.S. dollars, except unit data)**

	Navios Partners	Dry Bulk Group of Navios Holdings	Other Material Transactions	Notes	Dry Bulk Group of Navios Holdings Transaction Accounting Adjustments	Notes	Pro forma Combined
Time charter and voyage revenues	\$ 713,175	\$320,973	\$ —		\$ —		\$ 1,034,148
Time charter and voyage expenses	(36,142)	(70,581)	—		31,251	(2)	(75,472)
Direct vessel expenses	(29,259)	(8,951)	—		6,148	(2)	(32,062)
Vessel operating expenses	(191,449)	(34,234)	—		(11,957)	(2)	(237,640)
General and administrative expenses	(41,461)	(13,706)	—		—		(55,167)
Depreciation and amortization of intangible assets	(112,817)	(25,619)	—		(45,277)	(2)	(183,713)
Amortization of unfavorable lease terms	108,538	—	—		388	(2)	108,926
Gain on sale of vessels, net	33,625	—	—		—		33,625
Interest expense and finance cost, net	(42,762)	(38,255)	—		(14,073)	(2)	(95,090)
Interest income	859	—	—		—		859
Other income	289	—	—		—		289
Other expense	(9,738)	(4,420)	—		—		(14,158)
Gain on bond extinguishment	—	2,728	—		(2,728)	(2)	—
Gain on sale of vessels	—	—	143,764	(1)	—		143,764
Equity in net earnings/ (loss) of affiliated companies	80,839	—	—		—		80,839
Transaction costs	(10,439)	—	—		—		(10,439)
Bargain gain	48,015	—	—		—		48,015
<b>Net income</b>	<b>511,273</b>	<b>127,935</b>	<b>143,764</b>		<b>(36,248)</b>		<b>746,274</b>
Net loss attributable to the noncontrolling interest	4,913	—	—		—		4,913
<b>Net income attributable to Navios Partners' unitholders</b>	<b>\$ 516,186</b>	<b>\$127,935</b>	<b>\$ 143,764</b>		<b>\$ (36,248)</b>		<b>\$ 751,637</b>
<b>Net income attributable to Navios Partners' common unitholders</b>							<b>736,604</b>
<b>Pro forma basic income per unit attributable to common unitholders</b>						<b>(3)</b>	<b>32.56</b>
<b>Pro forma basic weighted average common units</b>							<b>22,620,324</b>
<b>Pro forma diluted income per unit attributable to common unitholders</b>						<b>(3)</b>	<b>32.50</b>
<b>Pro forma diluted weighted average common units</b>							<b>22,663,240</b>

See accompanying notes to the unaudited Pro Forma Condensed Combined Financial Statements

## NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

**Other Material Transactions**

(1) Adjustments included in the column under the heading “Other Material Transactions” are adjustments for nonrecurring items (i.e. items that will not recur beyond twelve months after the acquisition) that reflect only the application of required accounting for these items, linking their effects to the historical financial information of Navios Partners. The pro forma condensed combined financial information does not include adjustments related to the scheduled debt repayments and prepayments occurring after June 30, 2022, funded through Navios Partners’ results of operations.

On September 21, 2022, Navios Partners sold the Navios Unite, a 2006-built Containership of 8,204 TEU, to an unrelated third party, for a net sale price of \$83,125. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of \$2,620, amounted to \$35,835 as of the date of the sale.

On September 12, 2022, Navios Partners sold the Navios Utmost, a 2006-built Containership of 8,204 TEU, to an unrelated third party, for a net sale price of \$132,125. The aggregate net carrying amount of the vessel, including the remaining carrying balance of dry-dock and special survey cost of \$2,412, amounted to \$35,651 as of the date of the sale.

As a result of the above mentioned sales of vessels, “Vessels, net” was reduced by an amount of \$66,454, “Deferred dry dock and special survey costs, net” was reduced by an amount of \$5,032 and “Cash and cash equivalents” was increased by an amount of \$215,250 in the unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2022. An aggregate gain of \$143,764, related to the sale of the above mentioned vessels, was presented under the caption “Gain on sale of vessels” in the unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2021.

**Cash and cash equivalents:** Represents the adjustment from cash received from vessels sales.

**Vessels, net:** Represents the adjustment for the disposal of the net book value as a result of the vessels sales.

**Deferred dry dock and special survey costs, net:** Represents the adjustment for the disposal of the net book value as a result of the vessels sales

**Gain on sale of vessels:** Represents the adjustment for the result of the vessels sales, being the difference between the total net book value disposed and the cash received from vessels sales.

**Dry Bulk Group of Navios Holdings Transaction Accounting Adjustments**

On July 26, 2022, Navios Partners agreed to acquire a 36-vessel dry bulk fleet including the assumption of bank liabilities, bareboat obligations and finance leasing obligations, subject to debt and working capital adjustments, from Navios Holdings. The fleet consists of 30 vessels (including eight vessels under sale and leaseback and ten vessels under finance leases), five operating leases and one vessel that has been classified as held for sale. On July 29, 2022, 15 of the 36 vessels were delivered to Navios Partners. On September 8, 2022, the remaining 21 vessels were delivered to Navios Partners.

Navios Partners performed an assessment, as defined under ASC 805, Business Combinations, and concluded that the acquisition of the 36-vessel dry bulk fleet acquired is an asset acquisition. The consideration paid amounted to \$370,638 including working capital balances of \$(37,016) in accordance with the share purchase agreement. The amount of net assets acquired compared to the cost of consideration resulted in an excess value of \$217,161 that was allocated to qualifying assets on a relative fair value basis. The qualifying assets were the vessels held and used, leases (finance and operating lease assets) and intangible assets.

Adjustments included in the column under the heading “Dry Bulk Group of Navios Holdings Transaction Accounting Adjustments” are adjustments that reflect only the application of required accounting to the above transaction linking the effects of the acquisition of the Dry Bulk Group of Navios Holdings to the historical financial information of Navios Partners.

(2) Pro forma adjustments are necessary to reflect the cost of the acquisition exchanged and to adjust amounts related to tangible and intangible assets and liabilities of the Dry Bulk Group of Navios Holdings to reflect the assessment of the fair value of the assets acquired and liabilities assumed and is based upon reasonable estimates that are subject to revision as additional information becomes available.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

**Cash and cash equivalents:** Represents the adjustment for the consideration paid for the acquisition of the Dry Bulk Group of Navios Holdings.

**Vessel held for sale:** Represents the adjustment for the classification of one vessel of the Dry Bulk Group of Navios Holdings vessels that met the criteria to be accounted as held for sale.

**Vessels, net:** Represents the adjustment amounted to \$541,674 in order to: a) bring the carrying value of the vessels to their fair value, increased with the allocated excess value amounted in aggregate to \$588,939, and b) the recognition of the vessels under finance leases following reassessment of leases transferred from Navios Holdings amounted to \$389,436. Finance lease assets are measured at the same amount as the Finance Lease Liabilities, increased with the allocated excess value as well as adjusted for the straight-line effect of the liability (if any) and to reflect favorable and unfavorable terms of the lease when compared with market terms.

**Other long-term assets:** Other long-term assets of the Dry Bulk Group of Navios Holdings have been eliminated due to the remeasurement of the vessels acquired at fair value and the remeasurement of the finance leases.

**Deferred dry dock and special survey costs, net:** Deferred dry dock and special survey costs of the Dry Bulk Group of Navios Holdings have been eliminated due to the remeasurement of the vessels acquired at fair value.

**Goodwill:** Goodwill of the Dry Bulk Group of Navios Holdings has been eliminated due to the remeasurement of the assets that is allocated to.

**Intangible assets:** Intangible assets of the Dry Bulk Group of Navios Holdings have been eliminated. They have been adjusted with an amount of \$15,790 to bring the carrying value of the favorable lease assets, associated with charter-out contracts, to their fair values increased with the allocated excess value.

**Operating Lease Assets and Operating Lease Liabilities, including current portion:** Represents the adjustment amounted to \$(96,302) for operating leases to which the Dry Bulk Group of Navios Holdings is a lessee, to measure the Operating Lease Liabilities at the present value of the remaining lease payments, as if the acquired leases were a new lease of Navios Partners at the acquisition date amounted to \$45,668. Operating Lease Assets are measured at the same amount as the Operating Lease Liabilities adjusted for the straight-line effect of the liability (if any), increased with the allocated excess value and the intangible assets or unfavorable lease terms deriving from charter-in contracts.

**Long-Term Financial Liabilities, including current portion and deferred finance costs:** Represents the fair value of financial liabilities assumed. The outstanding balance of the floating financial liabilities approximates its fair value as estimated based on currently available debt with similar contract terms, interest rate and remaining maturity, as well as taking into account Navios Partners' creditworthiness. The financial liabilities' deferred finance costs related to the Dry Bulk Group of Navios Holdings are eliminated. Long-term financial liabilities have been adjusted to account for the remeasurement of the leases at the present value of the remaining lease payments, including the purchase obligation to acquire the vessel at the end of the lease period.

**Long-term Debt, including current portion and deferred finance costs:** The debt's deferred finance costs related to the Dry Bulk Group of Navios Holdings are eliminated to represent the fair value of the debt.

**Unfavorable Lease Terms:** Represents the adjustment to bring the carrying value of the unfavorable lease liabilities, associated with charter-out contracts, to their fair value.



NAVIOS MARITIME PARTNERS L.P.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

**Other Long-Term Liabilities:** Represents the adjustment for the carrying value of the acquired liabilities and transaction costs from the Dry Bulk Group of Navios Holdings.

**Time charter and voyage expenses:** Represents the adjustment of operating lease expense following reassessment of leases' classification as finance lease. Time charter and voyage expenses have also been adjusted with the amortization of the allocated excess value to operating lease assets.

**Direct vessel expenses:** Represents the adjustment for elimination of the amortization of deferred dry dock and special survey costs of the Dry Bulk Group of Navios Holdings.

**Vessel operating expenses:** Represents the adjustments for vessel operating expenses of the Dry Bulk Group of Navios Holdings, following their acquisition by Navios Partners based on its management agreements with the managers.

**Depreciation and amortization of intangible assets:** Represents the adjustment for vessels incremental depreciation. The useful lives used to calculate the incremental depreciation are consistent with the useful lives used in the financial statements of the Navios Partners and the remaining useful lives which range from seven to 23 years. The adjustment includes respective incremental amortization of intangible assets. The lease terms used to calculate the incremental amortization are consistent with the lease terms of the underlying charter contracts of up to 0.5 years.

**Amortization of unfavorable lease terms:** Represents the adjustment for incremental amortization of the unfavorable lease terms. The useful lives used to calculate the incremental amortization are consistent with the lease terms of the underlying charter contracts and the remaining lives of the lease terms up to 0.1 years.

**Interest expense and finance cost, net:** Represents the adjustment for additional interest arising from reassessed finance lease liabilities. In addition, unaudited Pro Forma Condensed Combined Statements of Operations reflects the adjustment to amortization expense of \$1,919 and \$942, for the year ended December 31, 2021 and the six month-period ended June 30, 2022, respectively, had the fair value of the debt deferred financing costs been eliminated as of January 1, 2021.

(3) The calculation of the pro forma basic and diluted earnings per unit attributable to the holders of Navios Partners' Common Units is based on the pro-forma weighted average number of shares for the year ended December 31, 2021 and the six-month period ended June 30, 2022, respectively.

	For the six month period ended June 30, 2022	For the year ended December 31, 2021
<b>Numerator:</b>		
Pro forma net income	262,885	751,637
Pro Forma Net income attributable to common unit holders (basic and diluted)	257,627	736,604
<b>Denominator:</b>		
Weighted average units outstanding	30,154,171	22,620,324
Pro forma basic weighted average units	30,154,171	22,620,324
Net income per unit, basic	8.54	32.56
Pro forma diluted weighted average units	30,197,087	22,663,240
Net income per unit, diluted	8.53	32.50

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333-237934) of Navios Maritime Partners L.P. of our report dated December 7, 2022 relating to the financial statements of the Dry Bulk Group of Companies (a fleet of Navios Maritime Holdings Inc.), which appears in this Current Report on Form 6-K.

/s/ PricewaterhouseCoopers S.A.  
Athens, Greece  
December 7, 2022