

**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: August 31, 2023

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

[Operating and Financial Review and Prospects](#)

[Exhibit List](#)

[INDEX](#)

Page

2

22

F-1

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

Operating and Financial Review and Prospects

The following is a discussion of the financial condition and results of operations for the three and six month periods ended June 30, 2023 and 2022 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’ 2022 Annual Report filed on Form 20-F with the U.S. Securities and Exchange Commission (the “SEC”) on March 24, 2023.

This Report contains and will contain forward-looking statements (as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) concerning future events, TCE rates (as defined herein), and Navios Partners’ expected cash flow generation, future contracted revenues, future distributions and its ability to make distributions going forward, opportunities to reinvest cash accretively in a fleet renewal program or otherwise, potential capital gains, its ability to take advantage of dislocation in the market and Navios Partners’ growth strategy and measures to implement such strategy; including expected vessel acquisitions and entering into further time charters and Navios Partners’ ability to refinance its debt on attractive terms, or at all. Words such as “may,” “expects,” “intends,” “plans,” “believes,” “anticipates,” “hopes,” “estimates,” and variations of such words and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by Navios Partners at the time these statements were made. Although Navios Partners believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. These statements involve risks and are based upon a number of assumptions and estimates that are inherently

subject to significant uncertainties and contingencies, many of which are beyond the control of Navios Partners. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, risks relating to: global and regional economic and political conditions including global economic activity, demand for seaborne transportation of the products we ship, the ability and willingness of charterers to fulfill their obligations to us and prevailing charter rates, the economic condition of the markets in which we operate, shipyards performing scrubber installations, construction of newbuilding vessels, drydocking and repairs, changing vessel crews and availability of financing, potential disruption of shipping routes due to accidents, wars, sanctions, diseases, pandemics, political events, piracy or acts by terrorists; uncertainty relating to global trade, including prices of seaborne commodities and continuing issues related to seaborne volume and ton miles, our continued ability to enter into long- term time charters, our ability to maximize the use of our vessels, expected demand in the dry and liquid cargo shipping sectors in general and the demand for our 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 operations costs, the loss of any customer or charter or vessel, the financial condition of our customers, changes in the availability and costs of funding due to conditions in the bank market, capital markets and other factors, fluctuation in interest rates and foreign exchange rates, and the impact of the discontinuance of the London Interbank Offered Rate for US Dollars, or LIBOR, after June 30, 2023, increases in costs and expenses, including but not limited to: crew, insurance, provisions, port expenses, lube oil, bunkers, repairs, maintenance and general and administrative expenses, the expected cost of, and our ability to comply with, governmental regulations and maritime self-regulatory organization standards, as well as standard regulations imposed by our charterers applicable to our business, general domestic and international political conditions, competitive factors in the market in which Navios Partners operates; risks associated with operations outside the United States; and other factors listed from time to time in Navios Partners' filings with the SEC, including its Form 20-F and Form 6-K. Navios Partners expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Navios Partners' expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Navios Partners makes no prediction or statement about the performance of its common units.

Recent Developments

In August 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Assuming the exercise of the option at the end of the 10-year period, the bareboat agreements reflect an implied price of approximately \$41.5 million per vessel and an implied effective interest rate of approximately 7.0%. The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2027. The closing of the transaction is subject to completion of customary documentation.

In August 2023, Navios Partners agreed to acquire from an unrelated third party, the Navios Horizon I, a 2019-built Kamsarmax vessel of 81,692 dwt (previously chartered-in) for an acquisition price of \$28.0 million. The delivery of the vessel is expected within the third quarter of 2023.

During the second quarter of 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Assuming the exercise of the option at the end of the 10-year period, the bareboat agreements reflect an implied price of approximately \$40.2 million per vessel and an implied effective interest rate of approximately 7.0%. The vessels are expected to be delivered into Navios Partners' fleet during the second half of 2026 and the first half of 2027. The closing of the transaction is subject to completion of customary documentation.

On May 10, 2023, Navios Partners agreed to sell the Lumen N, a 2008-built LR1 vessel of 63,599 dwt, to an unrelated third party, for a net sales price of \$21.6 million. The sale was completed on July 7, 2023.

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 August 25, 2023, 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 partnership units.

Fleet

Navios Partners' fleet consists of 81 drybulk vessels, 47 containerships and 49 tanker vessels, including 12 newbuilding tanker vessels (six Aframax/LR2 and six MR2 Product Tanker chartered-in vessels under bareboat contracts), that are expected to be delivered through 2027 and 12 newbuilding containerships (ten 5,300 TEU and two 7,700 TEU), that are expected to be delivered through 2025.

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

The following table provides summary information about our fleet as of August 25, 2023:

Owned Drybulk Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
Navios Christine B	Ultra-Handymax	2009	58,058	—	100.0% average BSI 58 10TC	Oct-23
Navios Celestial	Ultra-Handymax	2009	58,063	\$ 11,400	No 100% average BSI 58 10TC	Sep-23 May-25
Navios Vega	Ultra-Handymax	2009	58,792	—	Scheduled repairs	—
Navios La Paix	Ultra-Handymax	2014	61,485	—	111.0% average BSI 58 10TC	Jul-24
Navios Hyperion	Panamax	2004	75,707	\$ 19,000	No	Nov-23
Navios Orbiter	Panamax	2004	76,602	—	100.0% average BPI 4TC	Dec-23
Navios Hope	Panamax	2005	75,397	\$ 11,550	No 100.0% average BPI 4TC	Dec-23 Jun-24
Navios Taurus	Panamax	2005	76,596	\$ 11,887	— 100.0% average BPI 4TC	Sep-23 Dec-23
Navios Sun	Panamax	2005	76,619	\$ 16,844	No 100.0% average BPI 4TC	Sep-23 Dec-23
Navios Asteriks ⁽²⁴⁾	Panamax	2005	76,801	—	100.0% average BPI 4TC	Sep-23
Navios Helios	Panamax	2005	77,075	\$ 11,694	No 100.0% average BPI 4TC	Dec-23 Jan-24
Navios Apollon I	Panamax	2005	87,052	—	105.0% average BPI 4TC	Sep-23
N Amalthia	Panamax	2006	75,318	\$ 12,332	— 90.0% average BPI 82	Sep-23 Dec-23
Navios Sagittarius ⁽⁵⁾	Panamax	2006	75,756	—	90.0% average BPI 82	Apr-24
Navios Galileo	Panamax	2006	76,596	—	100.0% average BPI 4TC	Nov-23
N Bonanza	Panamax	2006	76,596	\$ 16,363	No	Sep-23
Navios Harmony	Panamax	2006	82,790	\$ 11,935	No 100.0% average BPI 4TC	Dec-23 Apr-24
Copernicus N	Panamax	2006	82,790	\$ 9,025	No	Nov-23
Unity N	Panamax	2010	93,062	—	107.0% average BPI 4TC	Sep-23
Odysseus N	Panamax	2011	79,642	—	100.0% average BPI 4TC	Dec-23
Rainbow N	Panamax	2011	79,642	—	100.0% average BPI 4TC	Nov-23
Navios Avior	Panamax	2012	81,355	—	100.0% average BPI 82	Sep-23
				\$ 12,954	No	Dec-23
				—	100.0% average BPI 82	Feb-24

Navios Centaurus	Panamax	2012	81,472	\$ 13,084	—	101.0% average BPI 82	Sep-23
						No	Dec-23
						101.0% average BPI 82	Jul-24
Navios Victory	Panamax	2014	77,095	—	—	106.75% average BPI 4TC	Oct-23
Navios Alegria ⁽²⁴⁾	Panamax	2016	84,852	\$ 14,197	—	No	Jul-24
						108% of average BPI 82	Sep-23
Navios Sphera	Panamax	2016	84,872	\$ 13,343	—	No	Dec-23
				\$ 11,628	—	No	Mar-24
						108% of average BPI 82	Apr-24
Navios Sky ⁽⁵⁾	Panamax	2015	82,056	\$ 13,073	—	105.0 % average BPI 82	Sep-23
						No	Dec-23
						105.0 % average BPI 82	Sep-24
Navios Uranus ⁽⁶⁾	Panamax	2019	81,821	\$ 15,593	—	No	Dec-23
						115.0% average BPI 82	Sep-23
				\$ 13,696	—	No	Oct-23
Navios Herakles I ⁽⁶⁾	Panamax	2019	82,036	\$ 13,517	—	No	Dec-23
				\$ 11,684	—	No	Mar-24
				\$ 13,733	—	No	Jun-24
						113.5% average BPI 82	Jul-24
				\$ 14,520	—	No	Sep-23
Navios Galaxy II ⁽⁶⁾	Panamax	2020	81,789	\$ 13,184	—	No	Dec-23
						112.5% average BPI 82	Mar-24
				\$ 13,612	—	No	Jun-24
						112.5% average BPI 82	Dec-24
Navios Felicity I ⁽⁶⁾	Panamax	2020	81,962	\$ 14,919	—	No	Dec-23
				\$ 13,837	—	No	Sep-23
Navios Magellan II ⁽⁶⁾	Panamax	2020	82,037	\$ 13,298	—	No	Dec-23
						112.0% average BPI 82	Feb-24
Navios Primavera ⁽⁵⁾	Panamax	2022	82,003	—	—	112.0% average BPI 82	Sep-23
						115.0% average BPI 82	Sep-24
				\$ 13,975	—	No	Sep-23
Navios Meridian ⁽⁵⁾	Panamax	2023	82,010	\$ 13,426	—	No	Dec-23
						115.5% average BPI 82	Jan-24
Navios Beaufigs ⁽⁵⁾	Capesize	2004	180,310	\$ 22,563	—	No	Sep-23
Navios Fantastiks ⁽⁵⁾	Capesize	2005	180,265	\$ 18,911	—	No	Dec-23
Navios Stellar ⁽⁵⁾	Capesize	2009	169,001	—	—	99.0% average BCI 5TC	Apr-24
Navios Aurora II	Capesize	2009	169,031	—	—	99.0% average BCI 5TC	May-24
Navios Happiness	Capesize	2009	180,022	\$ 20,710	—	No	Dec-23
Navios Bonavis ⁽⁵⁾	Capesize	2009	180,022	—	—	107.0% average BCI 5TC	Apr-24
Navios Phoenix ⁽⁵⁾	Capesize	2009	180,242	—	—	100.0% average BCI 5TC + \$1,905 per day	Jan-24
Navios Sol ⁽⁵⁾	Capesize	2009	180,274	\$ 20,378	—	No	Dec-23
						110.0% average BCI 5TC	Apr-24
Navios Lumen ⁽⁵⁾	Capesize	2009	180,661	—	—	107.0% average BCI 5TC	Apr-24
Navios Pollux ⁽⁵⁾	Capesize	2009	180,727	—	—	100.0% of pool earnings	Oct-23
Navios Antares ⁽⁵⁾	Capesize	2010	169,059	—	—	100.0% average BCI 5TC	Jan-24
Navios Symphony	Capesize	2010	178,132	—	—	104.5% average BCI 5TC	Jan-24
Navios Melodia	Capesize	2010	179,132	—	—	105.0% average BCI 5TC	Apr-24
Navios Luz	Capesize	2010	179,144	—	—	106.0% average BCI 5TC	May-24
Navios Etoile	Capesize	2010	179,234	—	—	105.0% average BCI 5TC	Feb-24
Navios Buena Ventura	Capesize	2010	179,259	—	—	105.0% average BCI 5TC	Feb-24
Navios Bonheur	Capesize	2010	179,259	—	—	103.0% average BCI 5TC	Dec-23
Navios Fulvia	Capesize	2010	179,263	—	—	105.0% average BCI 5TC	Feb-24
Navios Aster	Capesize	2010	179,314	\$ 22,721	—	No	Sep-23
						108.0% average BCI 5TC	Dec-23
Navios Ace ⁽⁵⁾	Capesize	2011	179,016	—	—	107.25% average BCI 5TC	Mar-24
Navios Altamira	Capesize	2011	179,165	—	—	107.0% average BCI 5TC	Mar-24
Navios Azimuth	Capesize	2011	179,169	—	—	105.0% average BCI 5TC	Feb-24
						118.0% average BCI 5TC	Sep-23
Navios Koyo	Capesize	2011	181,415	\$ 19,057	—	No	Dec-23
						118.0% average BCI 5TC	Apr-24

Navios Ray ⁽⁵⁾	Capesize	2012	179,515	\$ 19,950	No	Dec-23
				—	105.0% average BCI 5TC	Feb-24
Navios Joy	Capesize	2013	181,389	—	Freight Voyages	Aug-25
Navios Gem	Capesize	2014	181,336	—	128.0% average BCI 5TC	Jan-24
Navios Canary ⁽²⁴⁾	Capesize	2015	180,528	\$ 24,819	No	Dec-23
				\$ 25,201	No	Oct-23
Navios Corali ⁽²⁴⁾	Capesize	2015	181,249	—	132.0% average BCI 5TC	Nov-23
				—	100.0% average BCI 5TC + \$4,085 per day	Sep-23
Navios Felix ⁽²⁴⁾	Capesize	2016	181,221	\$ 18,905	No	Dec-23
				—	100.0% average BCI 5TC + \$4,085 per day	Jan-24
Navios Mars	Capesize	2016	181,259	—	126.0% average BCI 5TC	Dec-23
Navios Armonia ⁽⁶⁾	Capesize	2022	182,079	\$ 20,750	No	Sep-27
Navios Azalea ⁽⁶⁾	Capesize	2022	182,064	\$ 19,950	No	Nov-27
Navios Astra ⁽²⁵⁾	Capesize	2022	182,392	\$ 21,000	No	Aug-27
Navios Altair ⁽⁶⁾	Capesize	2023	182,115	\$ 19,600	No	Nov-27
Navios Sakura ⁽⁶⁾	Capesize	2023	182,169	\$ 19,550	No	Mar-28
Navios Amethyst ⁽⁶⁾	Capesize	2023	182,212	\$ 19,550	No	Feb-28

Owned Containerships	Type	Built	Capacity (TEU)	Charter-Out Rate⁽¹⁾	Index⁽²⁾	Expiration Date⁽³⁾
				\$ 39,795	No	May-24
Navios Summer ⁽⁵⁾	Containership	2006	3,450	\$ 30,320	No	May-25
				\$ 20,845	No	May-26
				\$ 34,110	No	Jul-26
Navios Verano ⁽⁵⁾	Containership	2006	3,450	\$ 18,818	No	Apr-26
Hyundai Hongkong ⁽⁷⁾	Containership	2006	6,800	\$ 30,119	No	Dec-23
				\$ 21,083	No	Dec-28
Hyundai Singapore ⁽⁷⁾	Containership	2006	6,800	\$ 30,119	No	Dec-23
				\$ 21,083	No	Dec-28
Hyundai Busan ⁽⁷⁾	Containership	2006	6,800	\$ 30,119	No	Aug-24
				\$ 21,083	No	Aug-29
Hyundai Shanghai ⁽⁷⁾	Containership	2006	6,800	\$ 30,119	No	Aug-24
				\$ 21,083	No	Aug-29
Hyundai Tokyo ⁽⁷⁾	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 ⁽⁵⁾	Containership	2007	3,450	\$ 58,500	No	May-25
Matson Lanai ⁽⁵⁾	Containership	2007	4,250	\$ 55,794	No	Jul-25
				\$ 43,875	No	Apr-24
Navios Indigo ⁽⁵⁾	Containership	2007	4,250	\$ 34,125	No	Apr-25
				\$ 24,375	No	Apr-26
				\$ 41,438	No	Aug-26
				\$ 45,425	No	Dec-23
Navios Vermilion ⁽⁵⁾	Containership	2007	4,250	\$ 23,972	No	Nov-24
				\$ 41,722	No	Dec-24
Navios Verde ⁽⁵⁾	Containership	2007	4,250	\$ 21,725	No	Apr-25
				\$ 92,381	No	Jan-24
Navios Amarillo ⁽⁵⁾	Containership	2007	4,250	\$ 63,956	No	Jan-25
				\$ 28,425	No	Jan-26
				\$ 9,475	No	Jan-28
Navios Azure	Containership	2007	4,250	\$ 20,748	No	Apr-26
Navios Domino ⁽⁵⁾	Containership	2008	4,250	\$ 23,453	No	Sep-25
Navios Delight ⁽⁵⁾	Containership	2008	4,250	\$ 45,425	No	Jan-24
				\$ 45,425	No	Nov-23
Navios Magnolia	Containership	2008	4,730	\$ 23,972	No	Oct-24
				\$ 41,722	No	Nov-24

Navios Jasmine	Containership	2008	4,730	\$ 60,000	No	Apr-25
Navios Chrysalis	Containership	2008	4,730	\$ 23,453	No	Jun-25
				\$ 45,425	No	Oct-23
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
				\$ 43,875	No	Mar-24
Navios Devotion ⁽⁵⁾	Containership	2009	4,250	\$ 34,125	No	Mar-25
				\$ 24,375	No	Mar-26
				\$ 41,438	No	Jul-26
				\$ 45,425	No	Nov-23
Navios Destiny ⁽⁵⁾	Containership	2009	4,250	\$ 23,972	No	Oct-24
				\$ 41,722	No	Nov-24
Navios Lapis	Containership	2009	4,250	\$ 20,244	No	Apr-24
Navios Tempo	Containership	2009	4,250	\$ 44,438	No	Sep-25
				\$ 45,425	No	Nov-23
Navios Miami	Containership	2009	4,563	\$ 23,972	No	Oct-24
				\$ 41,722	No	Nov-24
Navios Dorado	Containership	2010	4,250	\$ 21,676	No	Jun-24
				\$ 43,875	No	Jan-24
Zim Baltimore	Containership	2010	4,360	\$ 34,125	No	Jan-25
				\$ 24,375	No	Jan-26
				\$ 41,438	No	May-26
Navios Bahamas	Containership	2010	4,360	\$ 60,000	No	May-25
				\$ 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 ⁽⁵⁾	Containership	2010	10,000	\$ 26,276	No	Jun-26
Navios Constellation ⁽⁵⁾	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

Owned Tanker Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate⁽¹⁾	Profit Sharing Arrangements	Expiration Date⁽³⁾
Hector N	MR1 Product Tanker	2008	38,402	\$ 15,306	No	Oct-23
Nave Equinox	MR2 Product Tanker	2007	50,922	\$ 20,392 ⁽⁸⁾	No	Nov-24
Nave Pulsar ⁽²⁴⁾	MR2 Product Tanker	2007	50,922	\$ 27,650	No	Sep-23
				\$ 21,231 ⁽⁸⁾	No	Sep-25
Nave Orbit	MR2 Product Tanker	2009	50,470	\$ 15,306	No	Oct-24
Nave Equator	MR2 Product Tanker	2009	50,542	\$ 23,651	No	Oct-23
				\$ 23,305	No	Sep-24
Nave Aquila ⁽⁵⁾	MR2 Product Tanker	2012	49,991	\$ 27,181	No	Sep-23
				\$ 27,156	No	Jun-24
Nave Atria ⁽⁵⁾	MR2 Product Tanker	2012	49,992	\$ 14,887	No	Nov-24
Nave Capella	MR2 Product Tanker	2013	49,995	\$ 22,138	No	Jan-25
Nave Alderamin	MR2 Product Tanker	2013	49,998	\$ 22,138	No	Nov-24
Nave Bellatrix ⁽⁵⁾	MR2 Product Tanker	2013	49,999	\$ 25,675	No	Aug-24
				\$ 19,750	No	Aug-25
Nave Orion ⁽⁵⁾	MR2 Product Tanker	2013	49,999	\$ 22,138	No	Dec-24
Nave Titan	MR2 Product Tanker	2013	49,999	\$ 25,891	No	Feb-25
Bougainville	MR2 Product Tanker	2013	50,626	Floating Rate ⁽⁹⁾	No	Sep-23
				\$ 21,800 ⁽²⁶⁾	No	Oct-26
Nave Pyxis	MR2 Product Tanker	2014	49,998	\$ 25,891	No	Jan-25
Nave Luminosity	MR2 Product Tanker	2014	49,999	\$ 23,004 ⁽¹⁰⁾	No	Dec-25
Nave Jupiter	MR2 Product Tanker	2014	49,999	\$ 16,491	No	Sep-23
Nave Velocity	MR2 Product Tanker	2015	49,999	\$ 15,553 ⁽¹¹⁾	No	Oct-24

Nave Sextans	MR2 Product Tanker	2015	49,999	\$	23,196 ⁽¹⁰⁾	No	May-26
Nave Ariadne	LR1 Product Tanker	2007	74,671		Floating Rate ⁽¹²⁾	No	Dec-23
Nave Cielo	LR1 Product Tanker	2007	74,671	\$	16,335	No	Sep-23
				\$	26,564	No	Jan-24
Nave Andromeda	LR1 Product Tanker	2011	75,000	\$	28,394	No	Mar-25
Nave Cetus	LR1 Product Tanker	2012	74,581	\$	32,094	No	Jul-25
Nave Cassiopeia	LR1 Product Tanker	2012	74,711	\$	33,150 ⁽¹³⁾	No	Jan-25
Nave Estella	LR1 Product Tanker	2012	75,000	\$	28,394	No	Dec-24
Nave Rigel	LR1 Product Tanker	2013	74,673		Floating Rate ⁽¹⁴⁾	No	Dec-23
Nave Atropos	LR1 Product Tanker	2013	74,695	\$	21,971	No	Oct-24
Nave Galactic	VLCC	2009	297,168	\$	45,425	No	Dec-23
Nave Spherical	VLCC	2009	297,188		Floating Rate	Yes ⁽¹⁵⁾	Jan-24
Nave Constellation	VLCC	2010	296,988		Scheduled repairs	No	—
Nave Quasar	VLCC	2010	297,376		Freight voyage	No	Sep-23
Nave Synergy	VLCC	2010	299,973		Freight voyage	No	Sep-23
Nave Universe	VLCC	2011	297,066		Freight voyage	No	Oct-23
Nave Buena Suerte	VLCC	2011	297,491	\$	47,906	Yes ⁽¹⁶⁾	Jun-25

Bareboat-in Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾	
				—	109.75% average BPI 82	Sep-23	
Navios Libra	Panamax	2019	82,011	\$ 13,418	No	Dec-23	
				\$ 11,955	No	Mar-24	
				—	109.75% average BPI 82	Jun-24	
				\$ 14,808	No	Sep-23	
Navios Star	Panamax	2021	81,994	\$ 12,637	No	Dec-23	
				\$ 11,526	No	Mar-24	
				—	110.0% average BPI 82	Apr-24	
				—	110.0% average BPI 82	Sep-23	
Navios Amitie	Panamax	2021	82,002	\$ 12,531	No	Dec-23	
				\$ 11,896	No	Mar-24	
				—	110.0% average BPI 82	Apr-24	
Baghdad	VLCC	2020	313,433	\$ 27,816 ⁽¹⁷⁾	No	Sep-30	
Nave Electron	VLCC	2021	313,239	\$ 47,906	Yes ⁽¹⁶⁾	Jan-26	
Erbil	VLCC	2021	313,486	\$ 27,816 ⁽¹⁷⁾	No	Feb-31	
Nave Celeste	VLCC	2022	313,418		Floating rate	Yes ⁽¹⁸⁾	Jul-24

Chartered-in Vessels	Type	Built	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
Navios Lyra	Handysize	2012	34,718	\$ 9,975	No	Oct-23
Navios Venus	Ultra-Handymax	2015	61,339	—	111.0% average BSI 58 10TC	Feb-24
Navios Amber ⁽¹⁹⁾	Panamax	2015	80,994	\$ 19,000	No	Apr-24
				—	108.0% average BPI 82	Sep-23
Navios Coral ⁽¹⁹⁾	Panamax	2016	84,904	\$ 14,486	No	Dec-23
				—	108.0% average BPI 82	Feb-24
				—	110.0% average BPI 4TC	Sep-23
Navios Citrine ⁽¹⁹⁾	Panamax	2017	81,626	\$ 13,570	No	Dec-23
				—	110.0% average BPI 4TC	Oct-24
Navios Dolphin ⁽¹⁹⁾	Panamax	2017	81,630	\$ 14,013 ⁽²⁰⁾	No	Dec-24
Navios Gemini ⁽²¹⁾	Panamax	2018	81,704	\$ 14,919	No	Oct-23
Navios Horizon I ⁽⁴⁾	Panamax	2019	81,692	—	108.5% average BPI 82	Oct-23

Owned Containerships to be Delivered	Type	Expected Delivery	Capacity (TEU)	Charter-Out Rate ⁽¹⁾	Index ⁽²⁾	Expiration Date ⁽³⁾
TBN I	Containership	H2 2023	5,300	\$ 42,900	No	Sep-24
				\$ 39,000	No	Sep-25
				\$ 37,050	No	Sep-26
				\$ 35,100	No	Sep-27
				\$ 31,200	No	Sep-28
				\$ 37,050	No	Nov-28
TBN II	Containership	H2 2023	5,300	\$ 42,900	No	Oct-24
				\$ 39,000	No	Oct-25
				\$ 37,050	No	Oct-26
				\$ 35,100	No	Oct-27
				\$ 31,200	No	Oct-28
				\$ 37,050	No	Dec-28
TBN VII	Containership	H2 2023	5,300	\$ 42,900	No	Nov-24
				\$ 39,000	No	Nov-25
				\$ 37,050	No	Nov-26
				\$ 35,100	No	Nov-27
				\$ 31,200	No	Nov-28
				\$ 37,050	No	Jan-29
TBN III	Containership	H1 2024	5,300	\$ 42,900	No	May-25
				\$ 39,000	No	May-26
				\$ 37,050	No	May-27
				\$ 35,100	No	May-28
				\$ 31,200	No	May-29
				\$ 37,050	No	Jul-29
TBN IV	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
				\$ 37,050	No	Aug-29
TBN VIII	Containership	H1 2024	5,300	\$ 42,900	No	Mar-25
				\$ 39,000	No	Mar-26
				\$ 37,050	No	Mar-27
				\$ 35,100	No	Mar-28
				\$ 31,200	No	Mar-29
				\$ 37,050	No	May-29
TBN V	Containership	H2 2024	5,300	\$ 42,900	No	Aug-25
				\$ 39,000	No	Aug-26
				\$ 37,050	No	Aug-27
				\$ 35,100	No	Aug-28
				\$ 31,200	No	Aug-29
				\$ 37,050	No	Oct-29
TBN VI	Containership	H2 2024	5,300	\$ 42,900	No	Nov-25
				\$ 39,000	No	Nov-26
				\$ 37,050	No	Nov-27
				\$ 35,100	No	Nov-28
				\$ 31,200	No	Nov-29
				\$ 37,050	No	Jan-30

TBN IX	Containership	H2 2024	5,300	\$ 37,500	No	Feb-30
TBN X	Containership	H2 2024	5,300	\$ 37,500	No	Apr-30
				\$ 57,213	No	Jan-28
				\$ 52,238	No	Jan-31
TBN XVIII	Containership	H1 2025	7,700	\$ 37,313	No	Jan-33
				\$ 27,363	No	Jan-35
				\$ 24,875 ⁽²³⁾	No	Jan-37
				\$ 57,213	No	Dec-27
				\$ 52,238	No	Dec-30
TBN XVII	Containership	H2 2024	7,700	\$ 37,313	No	Dec-32
				\$ 27,363	No	Dec-34
				\$ 24,875 ⁽²³⁾	No	Dec-36

Tanker Vessels to be Delivered	Type	Expected Delivery	Capacity (DWT)	Charter-Out Rate ⁽¹⁾	Profit Sharing Arrangements	Expiration Date ⁽³⁾
TBN XI	Aframax / LR2	H1 2024	115,000	\$ 26,366 ⁽²²⁾	No	Apr-29
TBN XII	Aframax / LR2	H2 2024	115,000	\$ 26,366 ⁽²²⁾	No	Jul-29
TBN XIII	Aframax / LR2	H2 2024	115,000	\$ 25,576 ⁽²²⁾	No	Oct-29
TBN XIV	Aframax / LR2	H2 2024	115,000	\$ 25,576 ⁽²²⁾	No	Dec-29
TBN XV	Aframax / LR2	H1 2025	115,000	\$ 27,798 ⁽²²⁾	No	Mar-30
TBN XVI	Aframax / LR2	H1 2025	115,000	\$ 27,798 ⁽²²⁾	No	May-30
TBN XIX ⁽⁶⁾	MR2 Product Tanker	H2 2025	52,000	\$ 22,959	No	Nov-30
TBN XX ⁽⁶⁾	MR2 Product Tanker	H1 2026	52,000	\$ 22,959	No	May-31
TBN XXI ⁽⁶⁾	MR2 Product Tanker	H2 2026	52,000	—	—	—
TBN XXII ⁽⁶⁾	MR2 Product Tanker	H1 2027	52,000	—	—	—
TBN XXIII ⁽⁶⁾	MR2 Product Tanker	H1 2027	52,000	—	—	—
TBN XXIV ⁽⁶⁾	MR2 Product Tanker	H1 2027	52,000	—	—	—

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

(2) Index rates exclude commissions.

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

(4) Vessel agreed to be acquired.

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

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

(7) Includes optional years (Navios Partners' option) after 2023.

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

(9) Rate based on Scorpio MR pool earnings.

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

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

(12) Rate based on Penfield pool earnings.

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

(14) Rate based on LR8 pool earnings.

(15) Contract provides for TD3C-TCE index plus \$1,463 premium.

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

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

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

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

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

(21) Purchase option in the form of the right of first refusal and profit share on sale of vessel.

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

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

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

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

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

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 six month period ended June 30, 2023, no customer accounted for 10% or more of our total revenues. For the six month period ended June 30, 2022, Singapore Marine Pte Ltd. (“Singapore Marine”) represented approximately 10.8% 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 the vessels operate and our charter hire rates, which, in turn, are affected by a number of factors, including:

- the duration of the charters;
- the level of spot and long-term market rates at the time of charters;
- decisions relating to vessel acquisitions and disposals;
- the amount of time spent positioning vessels;
- the amount of time that vessels spend in dry dock undergoing repairs and upgrades;
- the age, condition and specifications of the vessels;
- the aggregate level of supply and demand in the liquid, dry and containerized cargo shipping industry;
- economic conditions, such as the impact of inflationary cost pressures, decreased consumer discretionary spending, 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 outbreak of global epidemics or pandemics such as coronavirus (COVID-19).

Time charters are available for varying periods, ranging from a single trip (spot charter) to long-term which may be many years. In general, a long-term time charter assures the vessel owner of a consistent stream of global revenue. Operating the vessel in the spot market affords the owner greater spot market opportunity, which may result in high rates when vessels are in high demand or low rates when vessel availability exceeds demand. We intend to operate our vessels in the 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 2022 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

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

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

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

Trends and Factors Affecting Our Future Results of Operations

We believe the principal factors that will affect our future results of operations are the economic, regulatory, political and governmental conditions that affect the shipping industry generally and that affect conditions in countries and markets in which our vessels engage in business. Please read “Risk Factors” in our 2022 Annual Report on Form 20-F for a discussion of certain risks inherent in our business.

Results of Operations

Overview

The following table reflects certain key indicators of Navios Partners’ fleet performance for the three and six month periods ended June 30, 2023 and 2022.

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Available Days ⁽¹⁾	13,572	11,269	27,480	22,497
Operating Days ⁽²⁾	13,474	11,151	27,223	22,223
Fleet Utilization ⁽³⁾	99.3%	99.0%	99.1%	98.8%
Time Charter Equivalent rate (per day) ⁽⁴⁾	\$ 23,900	\$ 23,823	\$ 22,337	\$ 22,107
Vessels operating at end of periods	154	128	154	128

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

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

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

(4) Time Charter Equivalent rate (“TCE rate”) 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

The following table presents consolidated revenue and expense information for the three and six month periods ended June 30, 2023 and 2022.

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Time charter and voyage revenues	\$ 346,938	\$ 280,661	\$ 656,460	\$ 517,278
Time charter and voyage expenses	(41,956)	(21,718)	(81,719)	(38,861)
Direct vessel expenses	(17,764)	(12,920)	(32,204)	(24,113)
Vessel operating expenses (entirely through related parties transactions)	(82,550)	(73,989)	(165,766)	(147,161)
General and administrative expenses	(20,536)	(14,170)	(40,035)	(28,086)
Depreciation and amortization of intangible assets	(54,037)	(41,684)	(108,255)	(84,550)
Amortization of unfavorable lease terms	5,322	17,587	12,910	39,426
Gain on sale of vessels, net	10,151	—	43,601	—
Interest expense and finance cost, net	(33,330)	(14,522)	(68,854)	(27,749)
Interest income	2,483	22	4,100	24
Other expense, net	(2,413)	(1,107)	(8,765)	(2,383)
Net income	\$ 112,308	\$ 118,160	\$ 211,473	\$ 203,825
EBITDA⁽¹⁾	\$ 201,601	\$ 163,478	\$ 390,437	\$ 289,596
Adjusted EBITDA⁽¹⁾	\$ 191,450	\$ 163,478	\$ 346,836	\$ 289,596
Operating Surplus⁽¹⁾	\$ 98,620	\$ 90,245	\$ 164,368	\$ 146,070

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

Period over Period Comparisons

For the Three Month Period ended June 30, 2023 compared to the Three Month Period ended June 30, 2022

Time charter and voyage revenues: Time charter and voyage revenues of Navios Partners for the three month period ended June 30, 2023 increased by \$66.2 million, or 23.6%, to \$346.9 million, as compared to \$280.7 million for the same period in 2022. The increase in revenue was mainly attributable to the increase in the size of our fleet and to the slight increase in the TCE rate. For the three month periods ended June 30, 2023 and 2022, the time charter and voyage revenues were negatively affected by \$7.5 million and \$11.8 million, respectively, relating to the straight-line effect of the containerships and tankers charters with de-escalating rates. For the three month period ended June 30, 2023, the TCE rate increased by 0.3% to \$23,900 per day, as compared to \$23,823 per day for the same period in 2022. The available days of the fleet increased by 20.4% to 13,572 days for the three month period ended June 30, 2023, as compared to 11,269 days for the same period in 2022 mainly due to the acquisition of the 36-vessel drybulk fleet from Navios Holdings and the deliveries of newbuilding and secondhand vessels, partially mitigated by the sale of vessels.

Time charter and voyage expenses: Time charter and voyage expenses for the three month period ended June 30, 2023 increased by \$20.3 million to \$42.0 million, as compared to \$21.7 million for the three month period ended June 30, 2022. The increase was mainly attributable to a: (i) \$9.7 million increase in bareboat and charter-in hire expense of the tanker and drybulk fleet primarily due to the expansion of our fleet, (ii) \$7.1 million increase in bunkers expenses arising from the increased number of freight voyages in the second quarter of 2023; (iii) \$1.7 million increase in port expenses; (iv) \$1.4 million increase in other voyage expenses; and v) \$0.4 million increase in brokers’ commissions.

Direct vessel expenses: Direct vessel expenses for the three month period ended June 30, 2023, increased by \$4.9 million to \$17.8 million, as compared to \$12.9 million for the three month period ended June 30, 2022. The increase of \$4.9 million was mainly attributable to the amortization of the deferred drydock and special survey costs due to the increase in the size of our fleet.

Vessel operating expenses: Vessel operating expenses for the three month period ended June 30, 2023, increased by approximately \$8.6 million to \$82.6 million, as compared to \$74.0 million for the same period in 2022. The increase was mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with the management agreements (the “Management Agreements”), partially mitigated by the sale of vessels.

General and administrative expenses: General and administrative expenses increased by \$6.3 million to \$20.5 million for the three month period ended June 30, 2023, as compared to \$14.2 million for the three month period ended June 30, 2022. The increase was mainly due to a: (i) \$5.5 million increase in administrative expenses paid to the Manager (as defined herein) as per the administrative services agreement (the “Administrative Services Agreement”), mainly due to the expansion of our fleet, partially mitigated by the sale of vessels; and (ii) \$0.8 million increase in professional and legal fees, as well as audit fees and other administrative expenses.

[Table of Contents](#)

Depreciation and amortization of intangible assets: Depreciation and amortization of intangible assets amounted to \$54.0 million for the three month period ended June 30, 2023, as compared to \$41.7 million for the three month period ended June 30, 2022. The increase of \$12.3 million was mainly attributable to a: (i) \$13.1 million increase due to the delivery of the 36-vessel drybulk fleet in Navios Partners' owned fleet; (ii) \$3.4 million increase in depreciation expense due to the delivery of ten vessels during the second half of 2022 and the first half of 2023; and (iii) \$0.3 million increase in depreciation expense due to vessel improvements. The above increase was partially mitigated by a: (i) \$3.5 million decrease due to the sale of 19 vessels during the second half of 2022 and the first half of 2023; and (ii) \$1.0 million decrease in amortization of favorable lease terms. Depreciation of vessels is calculated using an estimated useful life of 25 years for drybulk and tanker vessels and 30 years for containerships, respectively, from the date the vessel was originally delivered from the shipyard.

Amortization of unfavorable lease terms: Amortization of unfavorable lease terms amounted to \$5.3 million and \$17.6 million for the three month periods ended June 30, 2023 and June 30, 2022, respectively, related to the fair value of the time charters with unfavorable lease terms as determined at the acquisition date of Navios Maritime Containers L.P. ("Navios Containers") and at the date of obtaining control of Navios Maritime Acquisition Corporation ("Navios Acquisition").

Gain on sale of vessels, net: Gain on sale of vessels amounted to \$10.2 million for the three month period ended June 30, 2023, relating to the sale of four of our vessels. There was no gain on sale of vessels for the three month period ended June 30, 2022.

Interest expense and finance cost, net: Interest expense and finance cost, net for the three month period ended June 30, 2023 increased by \$18.8 million to \$33.3 million, as compared to \$14.5 million for the three month period ended June 30, 2022. The increase was mainly due to: (i) the increase in Navios Partner's weighted average loan balance to \$1,899.3 million for the three month period ended June 30, 2023, as compared to \$1,312.0 million for the three month period ended June 30, 2022; and (ii) the increase of the weighted average interest rate for the three month period ended June 30, 2023 to 7.44% from 4.27% for the three month period ended June 30, 2022.

Interest income: Interest income amounted to \$2.5 million for the three month period ended June 30, 2023. There was less than \$0.1 million interest income for the three month period ended June 30, 2022.

Other expense, net: Other expense, net for the three month period ended June 30, 2023 increased by \$1.3 million to \$2.4 million, as compared to \$1.1 million for the three month period ended June 30, 2022, mainly due to the increase in expenses related to claims reserve and other miscellaneous expenses.

Net income: Net income for the three month period ended June 30, 2023 amounted to \$112.3 million as compared to \$118.2 million net income for the three month period ended June 30, 2022. The decrease of \$5.9 million was due to the factors discussed above.

Operating surplus: Navios Partners generated Operating Surplus for the three month period ended June 30, 2023 of \$98.6 million, as compared to \$90.2 million for the three month period ended June 30, 2022. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (See "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" contained herein).

For the Six Month Period ended June 30, 2023 compared to the Six Month Period ended June 30, 2022

Time charter and voyage revenues: Time charter and voyage revenues of Navios Partners for the six month period ended June 30, 2023 increased by \$139.2 million, or 26.9%, to \$656.5 million, as compared to \$517.3 million for the same period in 2022. The increase in revenue was mainly attributable to the increase in the size of our fleet and to the slight increase in the TCE rate. For the six month periods ended June 30, 2023 and 2022, the time charter and voyage revenues were negatively affected by \$20.5 million and \$16.5 million, respectively, relating to the straight-line effect of the containerships and tankers charters with de-escalating rates. For the six month period ended June 30, 2023, the TCE rate increased by 1.0% to \$22,337 per day, as compared to \$22,107 per day for the same period in 2022. The available days of the fleet increased by 22.1% to 27,480 days for the six month period ended June 30, 2023, as compared to 22,497 days for the same period in 2022 mainly due to the acquisition of the 36-vessel drybulk fleet from Navios Holdings and the deliveries of newbuilding and secondhand vessels, partially mitigated by the sale of vessels.

Time charter and voyage expenses: Time charter and voyage expenses for the six month period ended June 30, 2023 increased by \$42.8 million to \$81.7 million, as compared to \$38.9 million for the six month period ended June 30, 2022. The increase was mainly attributable to a: (i) \$19.5 million increase in bareboat and charter-in hire expense of the tanker and drybulk fleet primarily due to the expansion of our fleet; (ii) \$17.0 million increase in bunkers expenses arising from the increased number of freight voyages during first half of 2023; (iii) \$2.6 million increase in port expenses; and (iv) \$2.2 million increase in other voyage expenses; and v) \$1.5 million increase in brokers' commissions.

Direct vessel expenses: Direct vessel expenses for the six month period ended June 30, 2023, increased by \$8.1 million to \$32.2 million, as compared to \$24.1 million for the six month period ended June 30, 2022. The increase of \$8.1 million was mainly attributable to the amortization of the deferred drydock and special survey costs due to the increase in the size of our fleet.

Vessel operating expenses: Vessel operating expenses for the six month period ended June 30, 2023, increased by approximately \$18.6 million to \$165.8 million, as compared to \$147.2 million for the same period in 2022. The increase was mainly due to the expansion of our fleet and the adjustment of the fixed daily fee in accordance with the Management Agreements, partially mitigated by the sale of vessels.

General and administrative expenses: General and administrative expenses increased by \$11.9 million to \$40.0 million for the six month period ended June 30, 2023, as compared to \$28.1 million for the six month period ended June 30, 2022. The increase was mainly due to a: (i) \$9.4 million increase in administrative expenses paid to the Manager (as defined herein) as per the Administrative Services Agreement, mainly due to the expansion of our fleet, partially mitigated by the sale of vessels; and (ii) \$2.6 million increase in professional and legal fees, as well as audit fees and other administrative expenses; partially mitigated by a \$0.1 million decrease in stock plan expenses.

Depreciation and amortization of intangible assets: Depreciation and amortization of intangible assets amounted to \$108.3 million for the six month period ended June 30, 2023, as compared to \$84.6 million for the six month period ended June 30, 2022. The increase of \$23.7 million was mainly attributable to a: (i) \$26.7 million increase due to the delivery of the 36-vessel drybulk fleet in Navios Partners' owned fleet; (ii) \$5.5 million increase in depreciation expense due to the delivery of ten vessels during second half of 2022 and first half of 2023; and (iii) \$0.7 million increase in depreciation expense due to vessel improvements. The above increase was partially mitigated by a: (i) \$5.9 million decrease due to the sale of 19 vessels during the second half of 2022 and first half of 2023; and (ii) \$3.3 million decrease in amortization of favorable lease terms. Depreciation of vessels is calculated using an estimated useful life of 25 years for drybulk and tanker vessels and 30 years for containerships, respectively, from the date the vessel was originally delivered from the shipyard.

Amortization of unfavorable lease terms: Amortization of unfavorable lease terms amounted to \$12.9 million and \$39.4 million for the six month periods ended June 30, 2023 and June 30, 2022, respectively, 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 amounted to \$43.6 million for the six month period ended June 30, 2023, relating to the sale of 12 of our vessels. There was no gain on sale of vessels for the six month period ended June 30, 2022.

Interest expense and finance cost, net: Interest expense and finance cost, net for the six month period ended June 30, 2023 increased by \$41.2 million to \$68.9 million, as compared to \$27.7 million for the six month period ended June 30, 2022. The increase was mainly due to: (i) the increase in Navios Partner's weighted average loan balance to \$1,901.9 million for the six month period ended June 30, 2023, as compared to \$1,332.0 million for the six month period ended June 30, 2022; and (ii) the increase of the weighted average interest rate for the six month period ended June 30, 2023 to 7.20% from 3.98% for the six month period ended June 30, 2022.

Interest income: Interest income amounted to \$4.1 million for the six month period ended June 30, 2023. There was less than \$0.1 million interest income for the six month period ended June 30, 2022.

Other expense, net: Other expense, net for the six month period ended June 30, 2023 increased by \$6.4 million to \$8.7 million, as compared to \$2.3 million for the six month period ended June 30, 2022, mainly due to the increase in expenses related to claims reserve and foreign exchange differences.

Net income: Net income for the six month period ended June 30, 2023 amounted to \$211.5 million as compared to \$203.8 million net income for the six month period ended June 30, 2022. The increase of \$7.7 million was due to the factors discussed above.

Operating surplus: Navios Partners generated Operating Surplus for the six month period ended June 30, 2023 of \$164.4 million, as compared to \$146.1 million for the six month period ended June 30, 2022. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership’s ability to make quarterly cash distributions (See “Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus” contained herein).

Off-Balance Sheet Arrangements

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

Liquidity and Capital Resources

We anticipate that our primary sources of funds for our short-term liquidity needs will be cash flows from our equity offerings, operations, proceeds from assets’ sales, long-term bank borrowings and other debt raisings. In addition to distributions on our units, our primary short-term liquidity needs are to fund general working capital requirements, cash reserve requirements including those under our credit facilities and debt service, while our long-term liquidity needs primarily relate to expansion and investment capital expenditures and other maintenance capital expenditures and debt repayment. As of June 30, 2023, Navios Partners’ current assets totaled \$363.9 million, while current liabilities totaled \$440.8 million, resulting in a negative working capital position of \$76.9 million. Navios Partners’ cash forecast indicates that it will generate sufficient cash through its contracted revenue of \$3.3 billion as of August 25, 2023 and cash proceeds from the sale of vessels (see Note 4 - Vessels, net 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 unaudited condensed consolidated financial statements.

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

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

The following table presents cash flow information derived from the unaudited condensed Consolidated Statements of Cash Flows of Navios Partners for the six month periods ended June 30, 2023 and 2022.

	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Net cash provided by operating activities	\$ 228,343	\$ 147,163
Net cash provided by/ (used in) investing activities	31,665	(61,860)
Net cash used in financing activities	(165,054)	(80,125)
Increase in cash, cash equivalents and restricted cash	\$ 94,954	\$ 5,178

Cash provided by operating activities for the six month period ended June 30, 2023 as compared to the cash provided by operating activities for the six month period ended June 30, 2022

Net cash provided by operating activities increased by \$81.1 million to \$228.3 million of cash provided by operating activities for the six month period ended June 30, 2023, as compared to \$147.2 million of cash provided by operating activities for the same period in 2022. 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 \$108.6 million of non-cash positive net adjustments for the six month period ended June 30, 2023, which consisted mainly of the following adjustments: (i) \$108.3 million depreciation and amortization of intangible assets; (ii) \$29.2 million non-cash amortization of deferred revenue and straight-line effect of the containerships and tankers charters with de-escalating rates; (iii) \$18.9 million amortization of deferred dry dock and special survey costs; (iv) \$5.1 million amortization of operating lease assets/liabilities; and (v) \$3.6 million amortization and write-off of deferred finance costs and discount. These adjustments were partially mitigated by: (i) \$43.6 million gain from sale of vessels, net; and (ii) \$12.9 million amortization of unfavorable lease terms.

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

The aggregate adjustments to reconcile net income to net cash provided by operating activities was an \$83.9 million non-cash positive net adjustments for the six month period ended June 30, 2022, which consisted mainly of the following adjustments: (i) \$84.6 million depreciation and amortization of intangible assets; (ii) \$23.4 million non-cash amortization of deferred revenue and straight line effect of the containerships charters with de-escalating rates; (iii) \$12.9 million amortization of deferred dry dock and special survey costs; (iv) \$2.7 million amortization and write-off of deferred finance costs and discount; and (v) \$0.1 million stock based compensation. These adjustments were partially mitigated by: (i) \$39.4 million amortization of unfavorable lease terms; and (ii) \$0.4 million amortization of operating lease assets/ liabilities.

The net cash outflow resulting from the change in operating assets and liabilities of \$140.5 million for the six month period ended June 30, 2022 resulted from: (i) a \$64.2 million decrease in amounts due to related parties; (ii) a \$28.5 million increase in prepaid expenses and other current assets; (iii) a \$26.2 million in payments for dry dock and special survey costs; (iv) an \$18.0 million increase in accounts receivable; and (v) a \$15.8 million increase in amounts due from related parties. This was partially mitigated by: (i) an \$8.4 million increase in accounts payable; (ii) a \$3.6 million increase in accrued expenses; and (iii) a \$0.2 million increase in deferred revenue.

Cash provided by investing activities for the six month period ended June 30, 2023 as compared to the cash used in investing activities for the six month period ended June 30, 2022

Net cash provided by investing activities for the six month period ended June 30, 2023 amounted to \$31.7 million as compared to \$61.9 million cash used in investing activities for the six month period ended June 30, 2022.

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

Cash used in investing activities of approximately \$61.9 million for the six month period ended June 30, 2022 was mainly due to: (i) \$55.6 million relating to deposits for the acquisition/ option to acquire vessels and capitalized expenses; and (ii) \$6.3 million related to vessels' additions.

Cash used in financing activities for the six month period ended June 30, 2023 as compared to cash used in financing activities for the six month period ended June 30, 2022

Net cash used in financing activities increased by approximately \$85.0 million to \$165.1 million outflow for the six month period ended June 30, 2023, as compared to \$80.1 million outflow for the same period in 2022.

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

Cash used in financing activities of \$80.1 million for the six month period ended June 30, 2022 was mainly due to: (i) loans and financial liabilities repayments of \$210.3 million; (ii) payment of total cash distributions of \$3.1 million; and (iii) payment of \$1.9 million of deferred finance costs relating to the new credit facilities. This was partially mitigated by \$135.2 million of proceeds from new credit facilities.

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

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Net cash provided by operating activities	\$ 133,827	\$ 142,010	\$ 228,343	\$ 147,163
Net increase/ (decrease) in operating assets	11,166	34,561	(10,193)	88,517
Net decrease/ (increase) in operating liabilities	39,923	(8,033)	101,946	51,980
Net interest cost	30,847	14,500	64,754	27,725
Amortization and write-off of deferred finance cost	(1,587)	(1,353)	(3,618)	(2,677)
Amortization of operating lease assets/liabilities	(2,588)	211	(5,146)	422
Non-cash amortization of deferred revenue and straight-line	(20,137)	(18,378)	(29,248)	(23,452)
Stock-based compensation	(1)	(40)	(2)	(82)
Gain on sale of vessels, net	10,151	—	43,601	—
EBITDA⁽¹⁾	\$ 201,601	\$ 163,478	\$ 390,437	\$ 289,596
Gain on sale of vessels, net	(10,151)	—	(43,601)	—
Adjusted EBITDA⁽¹⁾	\$ 191,450	\$ 163,478	\$ 346,836	\$ 289,596
Cash interest income	2,222	22	3,477	24
Cash interest paid	(38,350)	(14,212)	(72,992)	(25,464)
Maintenance and replacement capital expenditures	(56,702)	(59,043)	(112,953)	(118,086)
Operating Surplus⁽²⁾	\$ 98,620	\$ 90,245	\$ 164,368	\$ 146,070

(1) EBITDA and Adjusted EBITDA

EBITDA represents net income before interest and finance costs, depreciation and amortization (including intangible accelerated amortization) and income taxes. Adjusted EBITDA represents EBITDA excluding certain items, as described in the table above. Navios Partners uses Adjusted EBITDA as a liquidity measure and reconciles EBITDA and Adjusted EBITDA to net cash provided by operating activities, the most comparable U.S. GAAP liquidity measure. EBITDA in this document is calculated as follows: net cash provided by operating activities adding back, when applicable and as the case may be, the effect of: (i) net increase/ (decrease) in operating assets; (ii) net decrease/ (increase) in operating liabilities; (iii) net interest cost; (iv) amortization and write-off of deferred finance costs and discount; (v) gain on sale of assets, net; (vi) non-cash amortization of deferred revenue and straight-line effect of the containerships and tankers charters with de-escalating rates; (vii) stock-based compensation expense; and (viii) amortization of operating lease assets/liabilities. 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 June 30, 2023 and 2022 was affected by the items described in the table above. Excluding these items, Adjusted EBITDA increased by approximately \$28.0 million to \$191.5 million for the three month period ended June 30, 2023, as compared to \$163.5 million for the same period in 2022. The increase in Adjusted EBITDA was primarily due to a \$66.2 million increase in time charter and voyage revenues. The above increase was partially mitigated by : (i) a \$20.3 million increase in time charter and voyage expenses, mainly due to the increase in (a) bunker expenses arising from the increased number of freight voyages in the second quarter of 2023 and (b) bareboat and charter-in hire expense of the tanker and drybulk fleet primarily due to the expansion of our fleet; (ii) an \$8.6 million increase in vessel operating expenses in accordance with our Management Agreements, mainly due to the expansion of our fleet; (iii) a \$6.3 million increase in general and administrative expenses in accordance with our Administrative Services Agreement, mainly due to the expansion of our fleet; (iv) a \$1.7 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items; and (v) a \$1.3 million increase in other expenses, net.

EBITDA for the six month period ended June 30, 2023 and 2022 was affected by the items described in the table above. Excluding these items, Adjusted EBITDA increased by approximately \$57.2 million to \$346.8 million for the six month period ended June 30, 2023, as compared to \$289.6 million for the same period in 2022. The increase in Adjusted EBITDA was primarily due to a \$139.2 million increase in time charter and voyage revenues. The above increase was partially mitigated by : (i) a \$42.8 million increase in time charter and voyage expenses, mainly due to the increase in (a) bunker expenses arising from the increased number of freight voyages in the second quarter of 2023 and (b) bareboat and charter-in hire expense of the tanker and drybulk fleet primarily due to the expansion of our fleet; (ii) an \$18.6 million increase in vessel operating expenses in accordance with our Management Agreements, mainly due to the expansion of our fleet; (iii) an \$11.9 million increase in general and administrative expenses in accordance with our Administrative Services Agreement, mainly due to the expansion of our fleet; (iv) a \$6.4 million increase in other expenses, net; and (v) a \$2.3 million increase in direct vessel expenses (excluding the amortization of deferred drydock, special survey costs and other capitalized items).

(2) Operating Surplus

Navios Partners generated Operating Surplus for the six month period ended June 30, 2023 of \$164.4 million, as compared to \$146.1 million for the six month period ended June 30, 2022. Operating Surplus is a non-GAAP financial measure used by certain investors to assist in evaluating a partnership's ability to make quarterly cash distributions (See "Reconciliation of EBITDA and Adjusted EBITDA to Net Cash from Operating Activities, EBITDA and Operating Surplus" contained herein).

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

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

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 six month periods ended June 30, 2023 and 2022 amounted to \$184.1 million and \$61.9 million, respectively.

Maintenance for our vessels and expenses related to drydocking expenses are reimbursed at cost by Navios Partners to Navios Shipmanagement Inc., (the "Manager") and Navios Tankers Management Inc. ("Tankers Manager" and together with the Manager, the "Managers") under the Management Agreements.

Maintenance and Replacement Capital Expenditures Reserve

The reserves for estimated maintenance and replacement capital expenditures for the three and six month periods ended June 30, 2023 were \$56.7 million and \$113.0 million, respectively. The reserves for estimated maintenance and replacement capital expenditures for the three and six month periods ended June 30, 2022 were \$59.0 million and \$118.1 million, respectively. We estimate that our annual replacement reserve for the year ending December 31, 2023 will be approximately \$225.2 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 13 – Cash distributions and earnings per unit to the unaudited condensed consolidated financial statements included elsewhere in this Report.

Quantitative and Qualitative Disclosures about Market Risks

Foreign Exchange Risk

Our functional and reporting currency is the U.S. dollar. We engage in worldwide commerce with a variety of entities. Although our operations may expose us to certain levels of foreign currency risk, our transactions are predominantly U.S. dollar denominated. Transactions in currencies other than U.S. dollars are translated at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized.

Interest Rate Risk

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

Borrowings under our credit facilities and financial liabilities bear interest at a rate based on a premium over U.S. LIBOR or Secured Overnight Financing Rate (“SOFR”). Therefore, we are exposed to the risk that our interest expense may increase if interest rates rise. For the six month periods ended June 30, 2023 and 2022, we paid interest on our outstanding debt at a weighted average interest rate of 7.20% and 3.98%, respectively. A 1% increase in LIBOR or SOFR would have increased our interest expense for the six month periods ended June 30, 2023 and 2022 by \$7.3 million and \$5.9 million, respectively.

Concentration of Credit Risk

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

For the six month period ended June 30, 2023, no customer accounted for 10% or more of our total revenues. For the six month period ended June 30, 2022, Singapore Marine represented approximately 10.8% 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 2022 Annual Report filed on Form 20-F with the SEC on March 24, 2023.

Recent Accounting Pronouncements

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

Critical Accounting Policies

Our financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates in the application of our accounting policies based on the best assumptions, judgments and opinions of management. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are those that reflect significant judgments or uncertainties, and potentially result in materially different results under different assumptions and conditions. All significant accounting policies are as described in Note 2-Summary of Significant Accounting Policies to the notes to the consolidated financial statements included in the Company’s Annual Report on Form 20-F for the year ended December 31, 2022 filed with the SEC on March 24, 2023 and in Note 2-Summary of Significant Accounting Policies included in the accompanying notes to the unaudited condensed consolidated financial statements included elsewhere in this Report.

Exhibit List

Exhibit No.

- 99.1 [Addendum No.1 to Navios Galaxy II Bareboat Charter, dated June 15, 2023 by and between Thalassa Marine S.A. as the charterer, and Abo Shoten, Ltd. and ASL Ocean Inc. as the owners.*](#)
- 99.2 [Addendum No.1 to MV Navios Uranus Bareboat Charter, dated June 15, 2023 by and between Atlas Marine S.A., as the charterer, and Abo Shoten, Ltd. and ASL Ocean Inc. as the owners.*](#)
- 99.3 [Addendum No.1 to MV Navios Phoenix Bareboat Charter, dated June 19, 2023 by and between Pharos Navigation S.A., as the charterer and ASL Navigation S.A. as the owner.*](#)
- 99.4 [Addendum No.1 to MV Navios Felicity I Bareboat Charter, dated June 19, 2023 by and between Rider Shipmanagement Inc. as the charterer and Forever Shipping S.A. as the owner.*](#)
- 99.5 [Facility Agreement dated June 20, 2023, among Iraklia Shipping Corporation, Antikithira Shipping Corporation, Limnos Shipping Corporation, Thera Shipping Corporation, Fandango Shipping Corporation, Flavescent Shipping Corporation, Sunstone Shipping Corporation, Coasters Venture Corporation, Velvet Shipping Corporation, and Bertyl Ventures Co. as borrowers and National Bank of Greence S.A.*](#)
- 99.6 [Loan Agreement dated June 21, 2023 among Zakynthos Shipping Corporation, Persephone Shipping Corporation, Kerkyra Shipping Corporation, Chernava Marine Corp., Ducale Marine Inc., Kleimar NV, Oral Shipping Corporation, Iris Shipping Corporation, Highbird Management Inc., as borrowers, BNP Paribas as Mandated Lead Arranger, Agent, and Security Trustee, and the banks and financial institutions listed therein.*](#)
- 99.7 [Addendum No.2 to Nave Pulsar Bareboat Charter, dated June 27, 2023 by and between Samothrace Shipping Corporation as the charterer and World Star Shipping, S.A.. as the owner.*](#)
- 99.8 [Addendum No.1 to Navios Sky Bareboat Charter, dated June 27, 2023 by and between Anafi Shipping Corporation as the charterers and Bright Carrier S.A. as the owner.*](#)
- 99.9 [Addendum No.1 to Navios Antares Bareboat Charter, dated June 27, 2023 by and between Rumer Holding Corp. as the charterer and Juno Marine Corp as the owner.*](#)
- 99.10 [Addendum No.1 to MV Navios Alegria Bareboat Charter, dated June 28, 2023 by and between Vatselo Enterprises Corp. as the charterer and Sealift Maritime S.A. as the owner.*](#)
- 99.11 [Addendum No.2 to MV Navios Astra Bareboat Charter, dated June 28, 2023 by and between Goddess Shiptrade Inc. as the charterer and Bright Carrier S.A. as the owner.*](#)
- 99.12 [Addendum No.1 to MV Navios Canary Bareboat Charter, dated June 28, 2023 by and between Vernazza Shiptrade Inc. as the charterer and Anchor Trans Inc. as the owner.*](#)
- 99.13 [Addendum No.1 to MV Navios Corali Bareboat Charter, dated June 28, 2023 by and between Roselite Shipping Corporation as the charterer, and Lua Line S.A. and Okino Kaiun Co., Ltd. as the owners.*](#)
- 99.14 [Loan Agreement dated June 28, 2023, among Emery Shipping Corporation, Rondine Management Corp., Mandora Shipping Ltd., Solange Shipping Ltd., Chilali Corp., Pandora Marine Inc., Micaela Shipping Corporation as borrowers, Credit Agricole Corporate and Investment Bank as Mandated Lead Arranger, Agent, and Security Trustee, and the banks and financial institutions listed therein.*](#)
- 99.15 [Addendum No.2 to MV Navios Felix Bareboat Charter, dated June 29, 2023 by and between Koufonisi Shipping Corporation as the charterer, and Glory Ocean Shipping S.A. and TEMM Maritime Co., Ltd. as the owners.*](#)
- 99.16 [Addendum No.1 to MV Navios Sagittarius Bareboat Charter, dated July 3, 2023 by and between Sagittarius Shipping Corporation as the charterer and Wealth Line Inc. as the owner.*](#)
- 99.17 [Addendum No.1 to MV Navios Magellan Bareboat Charter, dated July 14, 2023 by and between Talia Shiptrade S.A. as the charterer and Seven Shipping S.A. as the owner.*](#)
- 99.18 [Addendum No.1 to MV Navios Meridian Bareboat Charter, dated August 4, 2023 by and between Morganite Shipping Corporation as the charterer and Million Comets S.A. as the owner.*](#)

* Filed herewith

INDEX

<u>NAVIOS MARITIME PARTNERS L.P.</u>	<u>Page</u>
<u>UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2023 AND DECEMBER 31, 2022</u>	<u>F-2</u>
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2023 AND 2022</u>	<u>F-3</u>
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2023 AND 2022</u>	<u>F-4</u>
<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2023 AND 2022</u>	<u>F-6</u>
<u>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</u>	<u>F-7</u>

[Table of Contents](#)

F- 1

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

	Notes	June 30, 2023 (unaudited)	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 261,416	\$ 157,814
Restricted cash	3	8,636	17,284
Accounts receivable, net		31,464	75,030
Amounts due from related parties	12	2,647	—
Prepaid expenses and other current assets		59,698	60,296
Total current assets		363,861	310,424
Non-current assets			
Vessels, net	4	3,734,043	3,777,329
Deposits for vessels acquisitions	11	317,197	218,663
Other long-term assets	11	32,880	46,122
Deferred dry dock and special survey costs, net		110,912	99,999
Amounts due from related parties	12	39,519	41,403
Intangible assets	5	69,509	78,716
Operating lease assets	14	297,644	323,048
Total non-current assets		4,601,704	4,585,280
Total assets		\$ 4,965,565	\$ 4,895,704
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Accounts payable		\$ 19,145	\$ 27,117
Accrued expenses		23,895	16,049
Deferred revenue		59,290	38,875
Operating lease liabilities, current portion	14	35,190	39,853
Amounts due to related parties	12	—	104,751
Current portion of financial liabilities, net	6	143,025	216,955
Current portion of long-term debt, net	6	160,224	174,140
Total current liabilities		440,769	617,740
Non-current liabilities			
Operating lease liabilities, net	14	255,667	271,262
Unfavorable lease terms	5	34,996	47,906
Long-term financial liabilities, net	6	858,044	864,661
Long-term debt, net	6	763,410	689,691
Deferred revenue		53,585	50,138
Other long-term liabilities		7,736	11,343
Total non-current liabilities		1,973,438	1,935,001
Total liabilities		\$ 2,414,207	\$ 2,552,741
Commitments and contingencies	11	—	—
Partners' capital:			
Common Unitholders (30,184,388 units issued and outstanding at each of June 30, 2023 and December 31, 2022)	1, 8	2,509,723	2,305,494
General Partner (622,296 units issued and outstanding at each of June 30, 2023 and December 31, 2022)	1, 8	41,635	37,469
Total partners' capital		2,551,358	2,342,963
Total liabilities and partners' capital		\$ 4,965,565	\$ 4,895,704

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 data)

	Notes	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Time charter and voyage revenues	2, 9, 14	\$ 346,938	\$ 280,661	\$ 656,460	\$ 517,278
Time charter and voyage expenses	14	(41,956)	(21,718)	(81,719)	(38,861)
Direct vessel expenses	12	(17,764)	(12,920)	(32,204)	(24,113)
Vessel operating expenses (entirely through related parties transactions)	12	(82,550)	(73,989)	(165,766)	(147,161)
General and administrative expenses	12	(20,536)	(14,170)	(40,035)	(28,086)
Depreciation and amortization of intangible assets	4, 5	(54,037)	(41,684)	(108,255)	(84,550)
Amortization of unfavorable lease terms	5	5,322	17,587	12,910	39,426
Gain on sale of vessels, net	4	10,151	—	43,601	—
Interest expense and finance cost, net	6	(33,330)	(14,522)	(68,854)	(27,749)
Interest income		2,483	22	4,100	24
Other expense, net		(2,413)	(1,107)	(8,765)	(2,383)
Net income		\$ 112,308	\$ 118,160	\$ 211,473	\$ 203,825

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Common Unitholders	\$ 110,062	\$ 115,797	\$ 207,245	\$ 199,749
General Partner	2,246	2,363	4,228	4,076
Net income	\$ 112,308	\$ 118,160	\$ 211,473	\$ 203,825

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Earnings per unit (see Note 13):				
Earnings per common unit, basic	\$ 3.65	\$ 3.84	\$ 6.87	\$ 6.62
Earnings per common unit, diluted	\$ 3.65	\$ 3.83	\$ 6.87	\$ 6.61

See unaudited notes to the condensed consolidated financial statements

[Table of Contents](#)

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

	Notes	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
OPERATING ACTIVITIES:			
Net income		\$ 211,473	\$ 203,825
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of intangible assets	4, 5	108,255	84,550
Amortization of unfavorable lease terms	5	(12,910)	(39,426)
Non-cash amortization of deferred revenue and straight line		29,248	23,452
Amortization of operating lease assets/ liabilities	14	5,146	(422)
Amortization and write-off of deferred finance costs and discount		3,618	2,677
Amortization of deferred dry dock and special survey costs		18,865	12,922
Gain on sale of vessel, net	4	(43,601)	—
Stock-based compensation	8	2	82
Changes in operating assets and liabilities:			
Decrease/ (increase) in accounts receivable		43,566	(18,022)
Decrease/ (increase) in prepaid expenses and other current assets	15	9,248	(28,470)
Increase in amounts due from related parties	12	(1,765)	(15,779)
Payments for dry dock and special survey costs		(40,856)	(26,246)
(Decrease)/ increase in accounts payable		(7,971)	8,429
Increase in accrued expenses		7,846	3,556
Increase in deferred revenue		2,930	239
Decrease in amounts due to related parties	12	(104,751)	(64,204)
Net cash provided by operating activities		228,343	147,163
INVESTING ACTIVITIES:			
Net cash proceeds from sale of vessels	4	215,839	—
Deposits for acquisition/ option to acquire vessel	11	(113,600)	(55,586)
Acquisition of/ additions to vessels	4,12	(70,574)	(6,274)
Net cash provided by/ (used in) investing activities		31,665	(61,860)
FINANCING ACTIVITIES:			
Cash distributions paid	13	(3,080)	(3,082)
Repayment of long-term debt and financial liabilities	6	(635,795)	(210,314)
Payments of deferred finance costs	6	(12,227)	(1,964)
Proceeds from long-term debt and financial liabilities	6	486,048	135,235
Net cash used in financing activities		(165,054)	(80,125)
Increase in cash, cash equivalents and restricted cash		94,954	5,178
Cash, cash equivalents and restricted cash, beginning of period		175,098	169,446
Cash, cash equivalents and restricted cash, end of period		\$ 270,052	\$ 174,624

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 except unit data)

	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Supplemental disclosures of cash flow information		
Cash interest paid	\$ 72,992	\$ 25,464
Non cash financing activities		
Stock-based compensation	\$ 2	\$ 82
Financial and finance lease liabilities	\$ 173,010	\$ —
Non cash investing activities		
Acquisition of vessels	\$ (201,129)	\$ —
Deposits for acquisition/ option to acquire vessel (see Note 11)	\$ —	\$ 6,316

See unaudited notes to the condensed consolidated financial statements

[Table of Contents](#)

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

	Limited Partners				Total Partners' Capital
	General Partner		Common Unitholders		
	Units	Amount	Units	Amount	
Balance, December 31, 2022	622,296	\$ 37,469	30,184,388	\$ 2,305,494	\$ 2,342,963
Cash distribution paid (\$0.05 per unit—see Note 13)	—	(31)	—	(1,509)	(1,540)
Stock based compensation (see Note 8)	—	—	—	1	1
Net income	—	1,982	—	97,183	99,165
Balance, March 31, 2023	622,296	\$ 39,420	30,184,388	\$ 2,401,169	\$ 2,440,589
Cash distribution paid (\$0.05 per unit—see Note 13)	—	(31)	—	(1,509)	(1,540)
Stock based compensation (see Note 8)	—	—	—	1	1
Net income	—	2,246	—	110,062	112,308
Balance, June 30, 2023	622,296	\$ 41,635	30,184,388	\$ 2,509,723	\$ 2,551,358

	Limited Partners				Total Partners' Capital
	General Partner		Common Unitholders		
	Units	Amount	Units	Amount	
Balance, December 31, 2021	622,555	\$ 26,008	30,197,087	\$ 1,743,717	\$ 1,769,725
Cash distribution paid (\$0.05 per unit—see Note 13)	—	(31)	—	(1,510)	(1,541)
Stock based compensation (see Note 8)	—	—	—	42	42
Net income	—	1,713	—	83,952	85,665
Balance, March 31, 2022	622,555	\$ 27,690	30,197,087	\$ 1,826,201	\$ 1,853,891
Cash distribution paid (\$0.05 per unit—see Note 13)	—	(31)	—	(1,510)	(1,541)
Stock based compensation (see Note 8)	—	—	—	40	40
Net income	—	2,363	—	115,797	118,160
Balance, June 30, 2022	622,555	\$ 30,022	30,197,087	\$ 1,940,528	\$ 1,970,550

See unaudited notes to the condensed consolidated financial statements

[Table of Contents](#)

NAVIOS MARITIME PARTNERS L.P.
UNAUDITED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in thousands of U.S. Dollars except 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 12 – 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 12 – Transactions with related parties and affiliates).

As of June 30, 2023, there were 30,184,388 outstanding common units and 622,296 general partnership units. As of June 30, 2023, Navios Maritime Holdings Inc. (“Navios Holdings”) owned an approximately 10.3% ownership interest in Navios Partners and the General Partner held an approximately 2.0% ownership interest in Navios Partners based on all outstanding common units and general partnership units.

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, 2022 filed on Form 20-F on March 24, 2023 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 4 – Vessels) 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.

Interest rates have increased significantly as central banks in Europe, United States and other developed countries raise interest rates in an effort to reduce the inflation effect. The eventual implications of tighter monetary policy, and potentially higher long-term interest rates may drive a higher cost of capital for the Company.

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

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

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

Subsidiaries: Subsidiaries are those entities in which Navios Partners has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies of the entity.

A discussion of the Company’s significant accounting policies can be found in Note 2 to the Company’s consolidated financial statements included in the Annual Report filed on Form 20-F on March 24, 2023 with the SEC for the year ended December 31, 2022. There have been no material changes to these policies in the six months ended June 30, 2023, apart from those discussed below.

As of June 30, 2023, the Company has elected one of the optional expedients provided in the ASU 2020-04 Reference Rate Reform and its update that allows entities with contract modifications within the scope of Topic 470, for which the terms that are modified solely relate to directly replacing, or having the potential to replace a reference rate with another interest rate index, to account for the modification that meets the scope of paragraphs 848-20-15-2 through 15-3 as if the modification was not substantial. That is, the original contract and the new contract shall be accounted for as if they were not substantially different from one another, and the modification shall not be accounted for in the same manner as a debt extinguishment. As of June 30, 2023, the Company has entered into certain amendments in the existing loan agreements in order to replace the reference rate from Libor to Secured Overnight Financing Rate (“SOFR”). The Company will continue to evaluate the potential impact of adopting the standards on its consolidated financial statements.

(c) 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 \$300,689 and \$255,288 for the three month periods ended June 30, 2023 and 2022, respectively. Revenue from time chartering and bareboat chartering of vessels amounted to \$568,361 and \$476,606 for the six month periods ended June 30, 2023 and 2022, 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 \$31,302 and \$10,835 for the three month periods ended June 30, 2023 and 2022, respectively. Revenue from voyage contracts amounted to \$55,052 and \$17,406 for the six month periods ended June 30, 2023 and 2022, 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

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

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 \$14,947 and \$13,726 for the three month periods ended June 30, 2023 and 2022, respectively. Revenue from vessels operating in pooling arrangements amounted to \$32,997 and \$22,392 for the six month periods ended June 30, 2023 and 2022, 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 \$0 and \$812 for the three month periods ended June 30, 2023 and 2022, respectively. Profit-sharing revenue amounted to \$50 and \$874 for the six month periods ended June 30, 2023 and 2022, 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, 2022.

NOTE 3 – CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 261,416	\$ 157,814
Restricted cash	8,636	17,284
Total cash and cash equivalents and restricted cash	\$ 270,052	\$ 175,098

As of June 30, 2023 and December 31, 2022, restricted cash amounted to \$8,636 and \$17,284, respectively, and relates to amounts held in retention accounts in order to service debt and interest payments, as required by certain of the Company's credit facilities and financial liabilities.

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

NOTE 4 – VESSELS, NET

Total Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2022	\$ 4,292,150	\$ (514,821)	\$ 3,777,329
Additions/ (Depreciation)	271,703	(98,846)	172,857
Disposals	(232,920)	16,777	(216,143)
Balance June 30, 2023	\$ 4,330,933	\$ (596,890)	\$ 3,734,043

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

The above balances as of June 30, 2023 are analyzed in the following tables:

Owned Vessels	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2022	\$ 3,757,903	\$ (505,943)	\$ 3,251,960
Additions/ (Depreciation)	110,220	(87,232)	22,988
Disposals	(176,846)	15,686	(161,160)
Balance June 30, 2023	\$ 3,691,277	\$ (577,489)	\$ 3,113,788

Right-of-use assets under finance Lease	Cost	Accumulated Depreciation	Net Book Value
Balance December 31, 2022	\$ 534,247	\$ (8,878)	\$ 525,369
Additions/ (Depreciation)	161,483	(11,614)	149,869
Transfers to owned vessels	(56,074)	1,091	(54,983)
Balance June 30, 2023	\$ 639,656	\$ (19,401)	\$ 620,255

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. Following the declaration of the Company's option to extend the charter period of the Navios Amber for one year commencing in May 2023, the corresponding right-of-use asset under finance lease was increased by \$1,877, upon remeasurement of the finance lease liability, to \$46,663 (see Note 6 – Borrowings).

During the six month periods ended June 30, 2023 and 2022, the Company capitalized certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation, scrubber system installation, and other improvements that amounted to \$21,342 and \$6,274, respectively, and are presented under the caption "Acquisition of/ additions to vessels" in the condensed Consolidated Statements of Cash Flows (see Note 12 – Transactions with related parties and affiliates).

Acquisition of Vessels

2023

On June 21, 2023, Navios Partners took delivery of the Navios Amethyst, a 2023-built Capesize vessel of 182,212 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right of use asset at \$63,690, being an amount equal to the initial measurement of the finance lease liability (see Note 6- Borrowings) increased by the amount of \$2,346, which was prepaid before the lease commencement.

On April 27, 2023, Navios Partners took delivery of the Navios Sakura, a 2023-built Capesize vessel of 182,169 dwt, from an unrelated third party by entering into a 15-year bareboat charter-in agreement which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right of use asset at \$49,770, being an amount equal to the initial measurement of the finance lease liability (see Note 6- Borrowings) increased by the amount of \$2,579, which was prepaid before the lease commencement.

On March 29, 2023, Navios Partners took delivery of the Navios Altair, a 2023-built Capesize vessel of 182,115 dwt, from an unrelated third party, by entering into a 15-year bareboat charter-in agreement which provides for purchase options with de-escalating purchase prices. Navios Partners accounted for the bareboat charter-in agreement as a finance lease, and recognized a right-of-use asset at \$45,934 being an amount equal to the initial measurement of the finance lease liability (see Note 6 – Borrowings) increased by the amount of \$2,815, which was prepaid before the lease commencement.

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

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

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

Sale of Vessels

2023

On May 16, 2023, Navios Partners sold the Serenitas N, a 2011-built Ultra-Handymax vessel of 56,644 dwt, to an unrelated third party, for a net sales price of \$12,005.

On May 4, 2023, Navios Partners sold the Navios Libertas, a 2007-built Panamax vessel of 75,511 dwt, to an unrelated third party, for a net sales price of \$13,524.

On May 3, 2023, Navios Partners sold the Navios Anthos, a 2004-built Panamax vessel of 75,798 dwt, to an unrelated third party, for a net sales price of \$10,780.

On April 5, 2023, Navios Partners sold the Aurora N, a 2008-built LR1 Product Tanker vessel of 63,495 dwt, to an unrelated third party, for a net sales price of \$21,875.

On March 3, 2023, Navios Partners sold the Nave Photon, a 2008-built VLCC vessel of 297,395 dwt, to an unrelated third party, for a net sales price of \$52,000.

On February 7, 2023, Navios Partners sold the Navios Prosperity I, a 2007-built Panamax vessel of 75,527 dwt, to an unrelated third party, for a net sales price of \$13,337.

On February 3, 2023, Navios Partners sold the Jupiter N, a 2011-built Post-Panamax vessel of 93,062 dwt, to an unrelated third party, for a net sales price of \$16,096.

On January 26, 2023, Navios Partners sold the Star N, a 2009-built MR1 Product Tanker vessel of 37,836 dwt, to an unrelated third party, for a net sales price of \$17,738.

On January 26, 2023, Navios Partners sold the Navios Amaryllis, a 2008-built Ultra-Handymax vessel of 58,735 dwt, to an unrelated third party, for a net sales price of \$14,798.

On January 24, 2023, Navios Partners sold the Nave Polaris, a 2011-built Chemical Tanker vessel of 25,145 dwt, to an unrelated third party, for a net sales price of \$14,909.

On January 17, 2023, Navios Partners sold the Nave Dorado, a 2005-built MR2 Product Tanker vessel of 47,999 dwt, to an unrelated third party, for a net sales price of \$15,313.

On January 9, 2023, Navios Partners sold the Nave Cosmos, a 2010-built Chemical Tanker vessel of 25,130 dwt, to an unrelated third party, for a net sales price of \$13,464.

Following the sale of the above vessels during the six month period ended June 30, 2023, the aggregate amount of \$43,601 (including the aggregate remaining carrying balance of dry-dock and special survey cost of \$11,078) 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.

Vessels agreed to be sold

On May 10, 2023, Navios Partners agreed to sell the Lumen N, a 2008-built LR1 vessel of 63,599 dwt, to an unrelated third party, for a net sales price of \$21,583. The sale was completed on July 7, 2023. The aggregate net carrying amount of the vessel amounted to \$14,246 at the date of the sale. The vessel was subject to an existing time charter with an unrelated charterer and was not immediately available for sale and therefore, did not qualify as an asset held for sale as of June 30, 2023.

NOTE 5 – INTANGIBLE ASSETS AND LIABILITIES

Intangible assets as of June 30, 2023 and December 31, 2022 consisted of the following:

[Table of Contents](#)

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

	Cost	Accumulated Amortization	Net Book Value
Favorable lease terms December 31, 2022	\$ 211,644	\$ (132,928)	\$ 78,716
Amortization	—	(9,207)	(9,207)
Favorable lease terms June 30, 2023	\$ 211,644	\$ (142,135)	\$ 69,509

Amortization expense of favorable lease terms for each of the periods ended June 30, 2023 and 2022 is presented in the following table:

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Favorable lease terms	\$ (4,539)	\$ (5,565)	\$ (9,207)	\$ (12,430)
Total	\$ (4,539)	\$ (5,565)	\$ (9,207)	\$ (12,430)

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

Period	Amount
2024	\$ 18,156
2025	17,702
2026	11,182
2027	5,115
2028	4,982
2029 and thereafter	12,372
Total	\$ 69,509

Intangible assets subject to amortization are amortized using straight-line method over their estimated useful lives to their estimated residual value of zero. As of June 30, 2023, the weighted average useful life of the remaining favorable lease terms was 5.2 years.

Intangible liabilities as of June 30, 2023 and December 31, 2022 consisted of the following:

	Cost	Accumulated Amortization	Net Book Value
Unfavorable lease terms December 31, 2022	\$ (231,407)	\$ 183,501	\$ (47,906)
Amortization	—	12,910	12,910
Unfavorable lease terms June 30, 2023	\$ (231,407)	\$ 196,411	\$ (34,996)

Amortization income of unfavorable lease terms for each of the periods ended June 30, 2023 and 2022 is presented in the following table:

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Unfavorable lease terms	\$ 5,322	\$ 17,587	\$ 12,910	\$ 39,426
Total	\$ 5,322	\$ 17,587	\$ 12,910	\$ 39,426

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

[Table of Contents](#)

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

Period	Amount
2024	\$ 13,319
2025	12,204
2026	9,473
2027	—
2028	—
2029 and thereafter	—
Total	\$ 34,996

Intangible liabilities subject to amortization are amortized using straight-line method over their estimated useful lives to their estimated residual value of zero. As of June 30, 2023, the weighted average useful life of the remaining unfavorable lease terms was 2.8 years.

NOTE 6 – BORROWINGS

Borrowings as of June 30, 2023 and December 31, 2022 consisted of the following:

	June 30, 2023	December 31, 2022
Credit facilities	\$ 933,627	\$ 874,038
Financial liabilities	526,156	695,934
Finance lease liabilities	481,305	389,007
Total borrowings	\$ 1,941,088	\$ 1,958,979
Less: Current portion of long-term borrowings, net	(303,249)	(391,095)
Less: Deferred finance costs, net	(16,385)	(13,532)
Long-term borrowings, net	\$ 1,621,454	\$ 1,554,352

As of June 30, 2023, the total borrowings, net of deferred finance costs were \$1,924,703.

Credit Facilities

FIRST-CITIZENS BANK & TRUST COMPANY: On December 21, 2022, Navios Partners entered into a credit facility with First-Citizens Bank & Trust Company of up to \$44,200 in order to refinance the existing indebtedness of three of its tanker vessels and for general corporate purposes. On January 5, 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$42,700 and is repayable in 19 consecutive quarterly installments of \$1,500 each, with a final balloon installment of \$14,200 to be paid on the last repayment date. The facility matures in the first quarter of 2028 and bears interest at Term Secured Overnight Financing Rate (“Term SOFR”) plus 195 bps per annum.

DNB BANK ASA: On February 16, 2023, Navios partners entered into a credit facility with DNB Bank ASA for a total amount up to \$161,600 in order to finance part of the contract price of four newbuilding container vessels, currently under construction. As of June 30, 2023 the total amount has remained undrawn. The credit facility matures ten years after drawdown and bears interest at SOFR plus 170 bps per annum.

SKANDINAVISKA ENSKILDA BANKEN AB : On April 19, 2023, Navios Partners entered into a credit facility with Skandinaviska Enskilda Banken AB of up to \$65,000 in order to refinance the existing indebtedness of five of its tanker vessels and for general corporate purposes. On April 21, 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$65,000 and is repayable in 20 consecutive quarterly installments of \$1,950 each, with a final balloon installment of \$26,000 to be paid on the last repayment date. The facility matures in the second quarter of 2028 and bears interest at SOFR plus 200 bps per annum.

KFW IPEX-BANK GMBH: On April 25, 2023, Navios Partners entered into an export agency-backed facility with KFW IPEX-BANK GMBH (“KFW”) for a total amount of up to \$165,638 in order to finance the acquisition of two newbuilding 7,700 TEU containerships. As of June 30, 2023, the Company has drawn a total amount of \$27,026 reflecting the commercial pre-delivery Tranche A. As of June 30, 2023 the total outstanding balance was \$27,026. The facility is scheduled to mature 12 years after the drawdown date and bears interest at SOFR plus 150 bps per annum.

EUROBANK S.A: On May 2, 2023, Navios Partners entered into a credit facility with Eurobank S.A of up to \$30,000 to refinance the existing indebtedness of three of its tanker vessels and for general corporate purposes. On May 3, 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$30,000 and is repayable in 20 consecutive quarterly installments of \$900 each, with a final balloon installment of \$12,000 to be paid on the last repayment date. The facility matures in the second quarter of 2028 and bears interest at Term SOFR plus 100 bps per annum for any part of the loan (up to 70%) secured by cash collateral and 225 bps per annum for the remaining amount.

BNP PARIBAS: On June 12, 2023, Navios Partners entered into a credit facility with BNP Paribas of up to \$40,000 in order to refinance the existing indebtedness of nine of its containerships. On June 16, 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$40,000, and is repayable in 12 consecutive quarterly installments of \$2,083 each, with a final balloon installment of \$15,004 to be paid on the last repayment date. The facility matures in the second quarter of 2026 and bears interest at SOFR plus 250 bps per annum.

On June 21, 2023, Navios Partners entered into a credit facility with BNP Paribas and Credit Agricole Corporate and Investment Bank of up to \$107,600 in order to refinance the existing indebtedness of ten of its vessels and for general

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

corporate purposes. On June 26, 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$107,600 and is repayable in 12 consecutive quarterly installments of \$7,000 each, with a final balloon installment of \$23,600 to be paid on the last repayment date. The facility matures in the second quarter of 2026 and bears interest at SOFR plus 250 bps per annum.

NATIONAL BANK OF GREECE S.A.: On June 20, 2023, Navios Partners entered into credit facility with National Bank of Greece S.A of up to \$77,822 in order to refinance the existing indebtedness of ten of its vessels and for general corporate purposes. In June 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$77,822 and is repayable in 20 consecutive quarterly installments of \$2,500 each, with a final balloon installment of \$27,822 to be paid on the last repayment date. The facility matures in the second quarter of 2028 and bears interest at Term SOFR plus 215 bps per annum.

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK: On June 28, 2023, Navios Partners entered into credit facility with Credit Agricole Corporate and Investment Bank of up to \$62,400 in order to refinance existing indebtedness of seven of its dry bulk vessels. On June 30, 2023, the full amount was drawn. As of June 30, 2023, the total outstanding balance was \$62,400 and is repayable in 12 consecutive quarterly installments of \$2,750 each, with a balloon installment of \$29,400 to be paid on the last repayment date. The facility matures in the second quarter of 2026 and bears interest at Term SOFR plus 250 bps per annum.

Financial Liabilities

In January 2022, the Company entered into a sale and leaseback agreement of \$27,440 with an unrelated third party for the Navios Meridian, a newbuilding Panamax vessel of 82,010 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. In January 2022, Navios Partners declared its option to purchase the vessel at the end of the tenth year of the bareboat charter-in agreement, preserving the right to exercise the purchase option earlier during the option period. Under ASC 842-40, the transfer of the vessel was determined to be a failed sale. In February 2023, Navios Partners took delivery of the Navios Meridian and recognized an amount of \$27,440 as financial liability in accordance with ASC 842-40. Navios Partners is obliged to make 120 consecutive monthly payments of \$152 each that commenced in February 2023. The sale and leaseback transaction matures in the first quarter of 2033, with a purchase obligation of \$9,147 on the last repayment date and bears interest at Libor plus 180 bps per annum. As of June 30, 2023, the outstanding balance under the sale and leaseback agreement was \$26,678.

In February 2023, the Company entered into a sale and leaseback agreement of \$32,000 with an unrelated third party, in order to finance the Navios Felix, a 2016-built Capesize vessel of 181,221 dwt. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. Navios Partners has a purchase option of \$750 to acquire the vessel at the end of the lease term and given the fact that such exercise price is not equal to the fair value of the asset at the end of the lease term, the transaction was determined to be a failed sale. In accordance with ASC 842-40, the Company did not derecognize the respective vessel from its balance sheet and accounted for the amount received under the sale and leaseback agreement as a financial liability. On March 10, 2023, the amount of \$32,000 was drawn. Navios Partners is obligated to make 120 consecutive monthly payments of \$260 each that commenced in March 2023. The sale and leaseback transaction matures in the first quarter of 2033 and bears interest at Libor plus 200 bps per annum. As of June 30, 2023, the outstanding balance under the sale and leaseback agreement was \$30,958.

In May 2023, Navios Partners entered into a sale and leaseback agreement of \$178,000 with an unrelated third party, in order to finance the acquisition of two newbuilding 5,300 TEU containerships and two newbuilding Aframax/LR2 tanker vessels. As of June 30, 2023 the total amount has remained undrawn. The sale and leaseback transaction matures ten years after the drawdown date and bears interest at Term SOFR plus 210 bps per annum.

Finance Lease Liabilities

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 of the remaining charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6%. During the first half of 2023, the Company declared its option to extend the charter period for one year commencing in May 2023. Under the ASC 842, the extension of the charter period is considered as a lease modification. Consequently, the Company reallocated the remaining consideration in the contract and remeasured the finance lease liability by using the updated Company's incremental borrowing rate of approximately 6%. The finance lease liability recognized at the date of modification was increased by \$1,877. The corresponding right-of-use asset under finance lease was adjusted upon remeasurement of the finance lease liability (see Note 4 – Vessels, net). As of June 30, 2023, the outstanding balance was \$33,963 and is repayable in one year in consecutive monthly installments up to \$303 each, with a purchase option of \$30,690.

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

On March 29, 2023, Navios Partners took delivery of the Navios Altair, a 2023-built Capesize vessel of 182,115 dwt under a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the agreement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 6.5%. As of June 30, 2023, the outstanding balance was \$40,775 and is repayable in 15 years in consecutive monthly installments up to \$298 each, with a purchase option of \$9,500, assuming that the option will be exercised at the end of the agreement.

On April 27, 2023, Navios Partners took delivery of the Navios Sakura, a 2023-built Capesize vessel of 182,169 dwt, under a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting at the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the agreement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 5.8%. As of June 30, 2023, the outstanding balance was \$44,509 and is repayable in 15 years in consecutive monthly installments up to \$334 each, with a purchase option of \$9,500, assuming that the option will be exercised at the end of the agreement.

On June 21, 2023, Navios Partners took delivery of the Navios Amethyst, a 2023-built Capesize vessel of 182,212 dwt, under a 15-year bareboat charter-in agreement. The bareboat charter-in provides for purchase options with de-escalating purchase prices starting on the end of the fourth year. The Company has performed an assessment considering the lease classification criteria under ASC 842 and concluded that the agreement is a finance lease. Consequently, the Company has recognized a finance lease liability based on the net present value of the charter-in payments including the purchase option to acquire the vessel at the end of the lease period, discounted by the Company's incremental borrowing rate of approximately 5.6%. As of June 30, 2023, the outstanding balance was \$59,521 and is repayable in 15 years in consecutive monthly installments up to \$399 each, with a purchase option of \$10,500, assuming that the option will be exercised at the end of the agreement.

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 six month periods ended June 30, 2023, the total interest expense incurred amounted to \$7,457 and \$12,622, respectively. No interest expense on finance lease liabilities was incurred for each of the three and six month periods ended June 30, 2022. As of June 30, 2023, payments related to the finance lease liabilities for the three month, and six month periods ended amounted to \$6,431, and \$12,119, respectively, and are presented under the caption "Repayment of long-term debt and financial liabilities" in the condensed Consolidated Statements of Cash Flows.

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).

[Table of Contents](#)

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

As of June 30, 2023 and December 31, 2022, the security deposits under certain sale and leaseback agreements were \$0 and \$8,650, respectively, and are presented under the caption “Other long-term assets” in the 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 110% to 140%; (ii) minimum free consolidated liquidity in an amount equal to \$500 per owned vessel and a number of vessels as defined in the Company’s credit facilities and financial liabilities; (iii) maintain a ratio of EBITDA to interest expense of at least 2.00:1.00; (iv) maintain a ratio of total liabilities or total debt to total assets (as defined in the Company’s credit facilities and financial liabilities) ranging from less than 0.75 to 0.80; and (v) maintain a minimum net worth of \$135,000.

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

As of June 30, 2023, Navios Partners was in compliance with the financial covenants and/or the prepayments and/or the cure provisions, as applicable, in each of its credit facilities and certain financial liabilities.

The annualized weighted average interest rates of the Company’s total borrowings for the three and six month periods ended June 30, 2023 were 7.44% and 7.20%, respectively. The annualized weighted average interest rates of the Company’s total borrowings for the three and six month periods ended June 30, 2022 was 4.27% and 3.98%, respectively.

The maturity table below reflects the principal payments for the next five 12-month periods ending June 30 of the following years and thereafter of all borrowings of Navios Partners outstanding as of June 30, 2023, based on the repayment schedules of the respective credit facilities, financial liabilities and finance lease liabilities.

Period	Amount
2024	\$ 308,970
2025	550,942
2026	294,971
2027	227,426
2028	162,441
2029 and thereafter	396,338
Total	\$ 1,941,088

NOTE 7 – 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 from related parties, short-term: The carrying amount of due from related parties short-term reported in the condensed Consolidated Balance Sheets approximates its fair value due to the short-term nature of these receivables.

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

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

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

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

	June 30, 2023		December 31, 2022	
	Book Value	Fair Value	Book Value	Fair Value
Cash and cash equivalents	\$ 261,416	\$ 261,416	\$ 157,814	\$ 157,814
Restricted cash	\$ 8,636	\$ 8,636	\$ 17,284	\$ 17,284
Amounts due from related parties, long-term	\$ 39,519	\$ 39,519	\$ 41,403	\$ 41,403
Amounts due from related parties, short-term	\$ 2,647	\$ 2,647	\$ —	\$ —
Amounts due to related parties, short-term	\$ —	\$ —	\$ (104,751)	\$ (104,751)
Credit facilities and financial liabilities, including current portion, net	\$ (1,443,398)	\$ (1,459,783)	\$ (1,556,440)	\$ (1,569,972)

Fair Value Measurements

The estimated fair value of the Company's financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value hierarchy, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that the Company has the ability to access. Valuation of these items does not entail a significant amount of judgment.

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

Level III: Inputs that are unobservable. The Company did not use any Level III inputs as of June 30, 2023 and December 31, 2022.

	Fair Value Measurements as at June 30, 2023			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 261,416	\$ 261,416	\$ —	\$ —
Restricted cash	\$ 8,636	\$ 8,636	\$ —	\$ —
Amounts due from related parties, long-term	\$ 39,519	\$ —	\$ 39,519	\$ —
Amounts due from related parties, short-term	\$ 2,647	\$ —	\$ 2,647	\$ —
Credit facilities and financial liabilities, net ⁽¹⁾	\$ (1,459,783)	\$ —	\$ (1,459,783)	\$ —

	Fair Value Measurements as at December 31, 2022			
	Total	Level I	Level II	Level III
Cash and cash equivalents	\$ 157,814	\$ 157,814	\$ —	\$ —
Restricted cash	\$ 17,284	\$ 17,284	\$ —	\$ —
Amounts due from related parties, long-term	\$ 41,403	\$ —	\$ 41,403	\$ —
Amounts due to related parties, short-term	\$ (104,751)	\$ —	\$ (104,751)	\$ —
Credit facilities and financial liabilities, net ⁽¹⁾	\$ (1,569,972)	\$ —	\$ (1,569,972)	\$ —

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

The estimated fair value of the Company's assets 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:

[Table of Contents](#)

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

	Fair Value Measurements as at December 31, 2022			
	Total	Level I	Level II	Level III
Vessels, net	\$ 57,402	\$ —	\$ 57,402	\$ —

NOTE 8 – REPURCHASES AND ISSUANCE OF UNITS

In July 2022, the Board of Directors of Navios Partners authorized a common unit repurchase program for up to \$100,000 of the Company’s common units. Common unit repurchases will be made from time to time for cash in open market transactions at prevailing market prices or in privately negotiated transactions. The timing and amount of repurchases under the program will be determined by Navios Partners’ management based upon market conditions and financial and other considerations, including working capital and planned or anticipated growth opportunities. As of June 30, 2023, no repurchases of common units had been made. The program does not require any minimum repurchase or any specific number of common units and may be suspended or reinstated at any time in the Company’s discretion and without notice. The Board of Directors will review the program periodically.

The effect of compensation expense arising from the restricted common units granted in December 2019 and 2018 and February 2019, amounted to \$1 and \$2 for the three and six month periods ended June 30, 2023, 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 December 2019 and 2018 and February 2019, amounted to \$40 and \$82 for the three and six month periods ended June 30, 2022, respectively, and was presented under the caption “General and administrative expenses” in the condensed Consolidated Statements of Operations.

As of June 30, 2023, the estimated compensation cost related to service conditions of non-vested restricted common units granted in 2019 not yet recognized was \$2.

As of each of June 30, 2023 and December 31, 2022, there were 1,001 restricted common units outstanding that remained unvested.

NOTE 9 – 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 10.0% 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.

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

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Asia	\$ 249,486	\$ 180,047	\$ 450,239	\$ 321,244
Europe	57,901	77,047	117,352	150,963
America	39,551	23,567	88,869	45,071
Total	\$ 346,938	\$ 280,661	\$ 656,460	\$ 517,278

NOTE 10 – INCOME TAXES

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

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

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

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

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

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

NOTE 11 – 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 June 30, 2023, the total amount of \$6,231, 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,

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

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 June 30, 2023, the total amount of \$13,215, 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. During the year ended December 31, 2021, the first installment of each vessel of \$6,160, or \$24,640 accumulated for the four vessels, was paid. During the year ended December 31, 2022, the aggregate amount of \$36,960 in relation to the second installment for the four vessels and the third installment for the two vessels, was paid. As of June 30, 2023, the total amount of \$61,600 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. During the year ended December 31, 2021, the first installment of each vessel of \$6,160, or \$12,320 accumulated for the two vessels, was paid. During the first half of 2023, the second installment of \$6,160 for the one vessel, was paid. As of June 30, 2023, the total amount of \$18,480 is presented under the caption “Deposits for vessels acquisitions” in the condensed Consolidated Balance Sheets.

In November 2021, Navios Partners agreed to purchase four 5,300 TEU newbuilding containerships (two plus two optional), from an unrelated third party, for a purchase price of \$62,825 each. 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. During the year ended December 31, 2022, the aggregate amount of \$43,978 in relation to the first installment for the four vessels, the second installment for the two vessels and the third installment for the one vessel, was paid. During the first half of 2023, the aggregate amount of \$18,848 in relation to the second installment for the two vessels and the third installment for the one vessel was paid. As of June 30, 2023, the total amount of \$ 62,825 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. Navios Partners agreed to pay in total \$23,400 plus extras in four installments for each vessel and the remaining amount of \$35,100 plus extras for each vessel will be paid upon delivery of each vessel. During the year ended December 31, 2022, the first installment of each vessel of \$6,266, or \$25,063 accumulated for the four vessels, was paid. During the first half of 2023, the aggregate amount of \$12,532 in relation to the second installment for the two vessels was paid. As of June 30, 2023, the total amount of \$37,595 is presented under the caption “Deposits for vessels acquisitions” in the condensed Consolidated Balance Sheets.

In June 2022, Navios Partners agreed to purchase two newbuilding liquefied natural gas (LNG) dual fuel 7,700 TEU containerships, from an unrelated third party, for an amended purchase price of \$115,510 each (original price of \$120,610 each). The vessels are expected to be delivered into Navios Partners’ fleet during the second half of 2024 and the first quarter of 2025. Navios Partners agreed to pay in total \$92,408 in four installments for each vessel and the remaining amount of \$23,102 for each vessel will be paid upon delivery of the vessel. During the year ended December 31, 2022, the first installment of each vessel of \$23,102, or \$46,204 accumulated for the two vessels, was paid. During the first half of 2023, the aggregate amount of \$46,204 in relation to the second installment for the two vessels of \$23,102 was paid. As of June 30, 2023, the total amount of \$92,408 is presented under the caption “Deposits for vessels acquisitions” in the condensed Consolidated Balance Sheets.

In November 2022, Navios Partners agreed to acquire two 115,000 dwt Aframax/LR2 newbuilding vessels for a purchase price of \$60,500 each (plus \$4,158 in additional features). The vessels are expected to be delivered into Navios Partners’ fleet during the first half of 2025. Navios Partners agreed to pay in total \$24,200 plus extras in four installments for each vessel

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

and the remaining amount of \$36,300 plus extras for each vessel will be paid upon delivery of each vessel. During the first half of 2023, the aggregate amount of \$12,100 in relation to the first installment for the two vessels was paid. As of June 30, 2023, the total amount of \$12,100 is presented under the caption “Deposits for vessels acquisitions” in the condensed Consolidated Balance Sheets.

In December 2022, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total \$18,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners’ fleet during the second half of 2025 and the first half of 2026. The closing of the transaction is subject to completion of customary documentation.

During the second quarter of 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total \$18,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners’ fleet during the second half of 2026 and the first half of 2027. The closing of the transaction is subject to completion of customary documentation.

Upon acquisition of the majority of outstanding stock of Navios Maritime Acquisition Corporation (“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 June 30, 2023, the total amount of \$1,767 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 June 30, 2023, the total amount of \$1,608 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 June 30, 2023, the total amount of \$1,051 is presented under the caption “Other long-term assets” in the condensed Consolidated Balance Sheets.

As of June 30, 2023, an amount of \$32,189 related to capitalized costs is presented under the caption “Deposits for vessels acquisitions” in the condensed Consolidated Balance Sheets.

As of June 30, 2023, the Company’s future minimum lease commitments under the Company’s bareboat-in contracts for undelivered vessels, are as follows:

Period ending June 30,	Amount
2024	\$ —
2025	—
2026	2,545
2027	9,728
2028	12,371
2029 and thereafter	99,338
Total	\$ 123,982

NOTE 12 – TRANSACTIONS WITH RELATED PARTIES AND AFFILIATES

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

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

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

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

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

Following completion of the mergers with Navios Containers and Navios Acquisition, 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 were 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 from Navios Holdings, which includes time charter-in vessels, Navios Partners and the Manager, on July 25, 2022, amended the Management Agreement to include a technical and commercial management fee of \$0.025 per time charter-in vessel per day.

Commencing from January 1, 2023 vessel operating expenses are fixed for one year for a daily fee of: (a) \$4.62 per Ultra-Handymax Vessel; (b) \$4.72 per Panamax Vessel; (c) \$5.74 per Capesize Vessel; (d) \$6.47 per Containership of TEU 1,300 up to 3,400; (e) \$6.59 per Containership of TEU 3,450 up to 4,999; (f) \$7.32 per Containership of TEU 5,000 up to 6,800; (g) \$8.25 per Containership of TEU 8,000 up to 9,999; (h) \$8.77 per Containership of TEU 10,000 up to 11,999; (i) \$7.24 per MR2 and MR1 product tanker and chemical tanker vessel; (j) \$7.67 per LR1 product tanker vessel; and (k) \$10.24 per VLCC.

The Management Agreements also provide for payment of a termination fee, equal to the fees charged for the full calendar year 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 three and six month periods ended June 30, 2023, certain extraordinary fees and costs related to vessels' regulatory requirements, including ballast water treatment system installation, exhaust gas cleaning system installation, scrubber system installation, and other improvements under the Company's Management Agreements, amounted to \$14,154 and \$19,743, respectively, and are presented under the caption "Acquisition of/ additions to vessels" in the condensed Consolidated Statements of Cash Flows.

During the three and six month periods ended June 30, 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 Agreements, amounted to \$3,628 and \$6,274, respectively, and are presented under the caption "Acquisition of/ additions to vessels" in the condensed Consolidated Statements of Cash Flows.

During three and six month periods ended June 30, 2023, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$997 and \$2,291, respectively, and are presented under the caption of "Direct vessel expenses" in the condensed Consolidated Statements of Operations.

During the three and six month periods ended June 30, 2022, certain extraordinary fees and costs related to COVID-19 measures, including crew related expenses, amounted to \$2,342 and \$5,297, respectively, and are presented under the caption of "Direct vessel expenses" in the condensed Consolidated Statements of Operations.

Total vessel operating expenses for the three and six month periods ended June 30, 2023 amounted to \$82,550 and \$165,766, respectively.

[Table of Contents](#)

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

Total vessel operating expenses for the three and six month periods ended June 30, 2022 amounted to \$73,989 and \$147,161, 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 six month periods ended June 30, 2023 amounted to \$15,755 and \$29,861, respectively. Total general and administrative expenses charged by the Manager for the three and six month periods ended June 30, 2022 amounted to \$10,318 and \$20,523, respectively.

Balance due from/ (to) related parties: Balance due from related parties long-term as of June 30, 2023 and December 31, 2022 amounted to \$39,519 and \$41,403, respectively. Balance due from related parties short-term as of June 30, 2023 and December 31, 2022 amounted to \$2,647 and \$0, respectively. Balance due to related parties, short-term as of June 30, 2023 and December 31, 2022 amounted to \$0 and \$104,751, respectively. 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.

Others: Navios Partners has entered into an omnibus agreement with Navios Holdings (the “Partners Omnibus Agreement”) in connection with the closing of Navios Partners’ IPO governing, among other things, when Navios Holdings and Navios Partners may compete against each other as well as rights of first offer on certain drybulk carriers. Pursuant to the Partners Omnibus Agreement, Navios Partners generally agreed not to acquire or own Panamax or Capesize drybulk carriers under time charters of three or more years without the consent of an independent committee of Navios Partners. In addition, Navios Holdings has agreed to offer to Navios Partners the opportunity to purchase vessels from Navios Holdings when such vessels are fixed under time charters of three or more years.

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.

NOTE 13 – 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:

[Table of Contents](#)

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

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

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

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

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

In July 2023, the Board of Directors of Navios Partners authorized its quarterly cash distribution for the three month period ended June 30, 2023 of \$0.05 per unit. The distribution was paid on August 11, 2023 to all unitholders of common units and general partner units of record as of August 8, 2023. The aggregate amount of the declared distribution was \$1,540.

Navios Partners calculates earnings per unit by allocating reported net income for each period to each class of units based on the distribution waterfall for available cash specified in Navios Partners' partnership agreement, net of the unallocated earnings (or losses). Basic earnings per common unit is determined by dividing net income by the weighted average number of common units outstanding during the period. Diluted earnings per unit is calculated in the same manner as basic earnings per unit, except that the weighted average number of outstanding units increased to include the dilutive effect of outstanding unit options or phantom units. Net loss per unit undistributed is determined by taking the distributions in excess of net income and allocating between common units and general partnership units on a 98%-2% basis. There were no options or phantom units outstanding during each of the six month periods ended June 30, 2023 and 2022.

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

	Three Month Period Ended June 30, 2023 (unaudited)	Three Month Period Ended June 30, 2022 (unaudited)	Six Month Period Ended June 30, 2023 (unaudited)	Six Month Period Ended June 30, 2022 (unaudited)
Net income	\$ 112,308	\$ 118,160	\$ 211,473	\$ 203,825
Income attributable to:				
Common unitholders	\$ 110,062	\$ 115,797	\$ 207,245	\$ 199,749
Weighted average units outstanding basic:				
Common unitholders	30,183,387	30,154,171	30,183,387	30,154,171
Earnings per unit basic:				
Common unitholders	\$ 3.65	\$ 3.84	\$ 6.87	\$ 6.62
Weighted average units outstanding diluted:				
Common unitholders	30,184,388	30,197,087	30,184,388	30,197,087
Earnings per unit diluted:				
Common unitholders	\$ 3.65	\$ 3.83	\$ 6.87	\$ 6.61
Earnings per unit distributed basic:				
Common unitholders	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10
Earnings per unit distributed diluted:				
Common unitholders	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10

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

Potential common units of 1,001 and 42,916 for the six month periods ended June 30, 2023 and 2022, respectively, are included in the calculation of earnings per unit diluted.

NOTE 14 – LEASES

Time charter out contracts and pooling arrangements

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

Operating Leases

A discussion of the Company's operating leases can be found in Note 22 – Leases to the Company's consolidated financial statements included in the Annual Report filed on Form 20-F on March 24, 2023 with the SEC for the year ended December 31, 2022.

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 June 30, 2023 and December 31, 2022, the outstanding balance of the operating lease liability amounted to \$290,857 and \$311,115, respectively, and is presented under the captions "Operating lease liabilities, current portion" and "Operating lease liabilities, net" in the condensed Consolidated Balance Sheets. Right-of-use assets amounted to \$297,644 and \$323,048 as at June 30, 2023 and December 31, 2022, respectively, and are presented under the caption "Operating lease assets" in the condensed Consolidated Balance Sheets.

The Company recognizes the lease payments for its operating leases as charter hire expenses on a straight-line basis over the lease term. Lease expense incurred and paid for the three and six months period ended June 30, 2023 amounted to \$17,418 and \$34,751, respectively. Lease expense incurred and paid for the three and six month periods ended June 30, 2022 amounted to \$7,702, and \$15,319, respectively. Lease expense is presented under the caption "Time charter and voyage expenses" in the condensed Consolidated Statements of Operations.

For the three and six month periods ended June 30, 2023, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$22,746 and \$43,120, respectively. For the three and six month periods ended June 30, 2022, the sublease income (net of commissions, if any) for vessels where the Company is a lessee amounted to \$18,117 and \$34,299, respectively. Sublease income is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

[Table of Contents](#)

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

As of June 30, 2023, the weighted average useful life of the remaining operating lease terms was 9.3 years.

The table below provides the total amount of lease payments on an undiscounted basis on the Company's chartered-in contracts as of June 30, 2023:

Period ending June 30,	Amount
2024	\$ 50,472
2025	41,071
2026	38,340
2027	37,891
2028	37,312
2029 and thereafter	167,892
Total	\$ 372,978
Operating lease liabilities, including current portion	\$ 290,857
Discount based on incremental borrowing rate	\$ 82,121

Finance Leases

For a detailed description of the finance lease liabilities and right-of-use assets for vessels under finance leases, refer to (i) Note 6 – Borrowings and Note 4 – Vessels, net, respectively; and (ii) Note 11 – Borrowings and Note 7 – Vessels, net, respectively, to the Company's consolidated financial statements included in the Annual Report filed on Form 20-F on March 24, 2023 with the SEC for the year ended December 31, 2022.

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

As of June 30, 2023, the weighted average useful life of the remaining finance lease terms was 9.1 years.

The table below provides the total amount of lease payments and options to acquire vessels on an undiscounted basis under the Company's finance leases as of June 30, 2023:

Period ending June 30,	Amount
2024	\$ 58,259
2025	160,957
2026	36,753
2027	36,307
2028	35,997
2029 and thereafter	347,103
Total	\$ 675,376
Finance lease liabilities, including current portion (see Note 6 – Borrowings)	\$ 481,305
Discount based on incremental borrowing rate	\$ 194,071

Bareboat charter-out contract

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

The Company recognizes in relation to the operating leases for the charter-out agreements the charter-out hire income in the Consolidated Statements of Operations on a straight-line basis. For the three and six month periods ended June 30, 2023 the charter hire income (net of commissions, if any) amounted to \$8,065 and \$16,042, respectively. For the three and six month periods ended June 30, 2022, the charter hire income (net of commissions, if any) amounted to \$5,247 and \$10,432, respectively. Charter hire income (net of commissions, if any) is presented under the caption "Time charter and voyage revenues" in the condensed Consolidated Statements of Operations.

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

NOTE 15 – SUBSEQUENT EVENTS

In August 2023, Navios Partners agreed to acquire two newbuilding Japanese MR2 Product Tanker vessels from an unrelated third party, under bareboat contracts. Each vessel is being bareboat-in for ten years. Navios Partners has the option to acquire the vessels starting at the end of year four until the end of the charter period. Navios Partners agreed to pay in total \$20,000, representing a deposit for the option to acquire the vessels after the end of the fourth year. The vessels are expected to be delivered into Navios Partners' fleet during the first half of 2027. The closing of the transaction is subject to completion of customary documentation.

In August 2023, Navios Partners agreed to acquire from an unrelated third party, the Navios Horizon I, a 2019-built Kamsarmax vessel of 81,692 dwt (previously chartered-in) for an acquisition price of \$27,950 million. The delivery of the vessel is expected within the third 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: August 31, 2023

ADDENDUM No.1
To
MV Navios Galaxy II
Bareboat Charter Party dated 15th December, 2017

This Addendum, is made and entered into this 15th day of June, 2023 by and between Thalassa Marine S.A. (hereinafter called the “Charterers”) and Abo Shoten, Ltd. (99%) of Japan and ASL Ocean Inc. (1%) of the Republic of the Marshall Islands (hereinafter collectively called the “Owners”),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 15th December, 2017 as amended and/or supplemented or novated from time to time (hereinafter called the “BBCP”) for the bareboat charter of one (1) 81,600 DWT BULK CARRIER named as MV Navios Galaxy II, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the BBCP from “1 month ICE LIBOR” to “1 month CME TERM SOFR + 0.11448%” plus applicable spread, if any.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Box 24. shall be amended as per following.

24. Rate of interest payable acc. To Cl.11 (f) and, if applicable, acc. to PART IV

1M CME TERM SOFR plus 2.11448%

2. Clause 36(1) II. shall be amended as per following.

36. HIRES AND EXTRA PAYMENTS

(1) Monthly Hire

II. Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month.

Daily Variable Hire = Charter Principal Balance (the table of Charter Principal Balance shall be attached to this contract as appendix) x (2.91448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

An applicable one (1) month CME TERM SOFR shall be one month TERM SOFR published by Chicago Mercantile Exchange (CME) on five (5) Banking Days prior to the first day of the relevant month.

The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before that due date.

Charter Principal Balance means USD 21,640,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

3. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 41st hire with the interest period of 28th July, 2023 through 30th August, 2023.

4. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

5. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)

Abo Shoten, Ltd.

/s/ Ren Wada

By: Ren Wada

Title: Chief Executive Officer

ASL Ocean Inc.

/s/ Ren Wada

By: Ren Wada

Title: Director/President

Signature (Charterers)

Thalassa Marine S.A.

/s/ Georgios Panagakis

By:

Title:

ADDENDUM No.1**To****MV Navios Uranus****Bareboat Charter Party dated 15th January, 2018**

This Addendum, is made and entered into this 15th day of June, 2023 by and between Cloud Atlas Marine S.A. of the Republic of the Marshall Islands (hereinafter called the "Charterers") and Abo Shoten, Ltd. (70%) of Japan and ASL Ocean Inc. (30%) of the Republic of Marshall Islands (hereinafter collectively called the "Owners"),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 15th January, 2018 as amended and/or supplemented or novated from time to time (hereinafter called the "BBCP") for the bareboat charter of one (1) 81,600 DWT BULK CARRIER named as MV Navios Uranus, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the BBCP from "1 month ICE LIBOR" to "1 month CME TERM SOFR + 0.11448%" plus applicable spread, if any.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Box 24. shall be amended as per following.

24. Rate of interest payable acc. To Cl.11 (f) and, if applicable, acc. to PART IV

1M CME TERM SOFR plus 2.11448%

2. Clause 36(1) II. shall be amended as per following.

36. HIRES AND EXTRA PAYMENTS

(1) Monthly Hire

II. Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month.

Daily Variable Hire = Charter Principal Balance x (2.51448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360 An applicable one (1) month CME TERM SOFR shall be one month TERM SOFR published by Chicago Mercantile Exchange (CME) on five (5) Banking Days prior to the first day of the relevant month.

The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before that due date.

Charter Principal Balance means USD 22,400,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

3. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 45th hire with the interest period of 28th July, 2023 through 25th August, 2023.

4. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

5. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)

Abo Shoten, Ltd.

/s/ Ren Wada

By: Ren Wada

Title: Chief Executive Officer

ASL Ocean Inc.

/s/ Ren Wada

By: Ren Wada

Title: Director/President

Signature (Charterers)

Cloud Atlas Marine S.A.

/s/ Georgios Panagakis

By:

Title:

ADDENDUM No.1
To
MV Navios Phoenix
Bareboat Charter Party dated 22nd December, 2021

This Addendum, is made and entered into 19 day of June, 2023 by and between PHAROS NAVIGATION S.A. of the Republic of the Marshall Islands (hereinafter called the "Charterers") and ASL NAVIGATION S.A. of the Republic of Panama (hereinafter called the "Owners"),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 22nd December, 2021 (hereinafter called the "BBCP") for the bareboat charter of one (1) 180,242 DWT BULK CARRIER named as MV Navios Phoenix, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the BBCP from "1 month ICE LIBOR" to "1 month CME TERM SOFR + 0.11448%" plus applicable spread, if any.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Box 24. shall be amended as per following.

24. Rate of interest payable acc. To Cl.11 (f) and, if applicable, acc. to PART IV

1M CME TERM SOFR plus 3.11448%

2. Clause 36(1) II. shall be amended as per following.

36. HIRES AND EXTRA PAYMENTS

(1) Monthly Hire

II. Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month.

Daily Variable Hire = Charter Principal Balance (the table of Charter Principal Balance shall be attached to this contract as appendix) x (3.11448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

An applicable one (1) month CME TERM SOFR shall be one month CME TERM SOFR published by Chicago Mercantile Exchange (CME) on five (5) Banking Days prior to the first day of the relevant month(the "Observation Day").

In case the Observation Day is not a day on which banks in London are open for business, the Observation Day shall be altered to the nearest day on which banks in United States are open for business prior to the above mentioned Observation Day.

If no Screen Rate is available for one month CME TERM SOFR for any particular month, the applicable one month CME TERM SOFR shall be the alternative rate as evidenced by and applicable under the loan or facility agreement (such evidence to be provided to the Charterers) between the Owners and the mortgagee(s) in box 28 and the spread over the alternative rate shall be adjusted.

The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before that due date.

Charter Principal Balance means USD20, 000,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

3. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 20th hire with the interest period of 27th July, 2023 through 29th August, 2023.

4. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

5. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)
ASL NAVIGATION S.A.

/s/ Ren Wada

By: Ren Wada

Title: Director/President

Signature (Charterers)
PHAROS NAVIGATION S.A.

/s/ Georgios Panagakis

By:

Title:

ADDENDUM No.1
To
MV Navios Felicity I
Bareboat Charter Party dated 18th April, 2018

This Addendum, is made and entered into this day 19th of, June 2023 by and between Rider Shipmanagement Inc. of the Republic of the Marshall Islands (hereinafter called the “Charterers”) and Forever Shipping, S.A. of the Republic of Panama (hereinafter called the “Owners”),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 18th April, 2018 (hereinafter called the “BBCP”) for the bareboat charter of one (1) 81,000 DWT BULK CARRIER named as MV Navios Felicity I, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the charter hire of the BBCP from “1 month ICE LIBOR + 1.5%” to “1 month CME TERM SOFR + (1.5%+0.11448%)”.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Box 24. shall be amended as per following.

24. Rate of interest payable acc. To Cl.11 (f) and, if applicable, acc. to PART IV

1M CME TERM SOFR plus 1.61448%

2. Clause 36(1) II. shall be amended as per following.

36. HIRES AND EXTRA PAYMENTS

(1) Monthly Hire

II. Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month.

Daily Variable Hire = Charter Principal Balance (the table of Charter Principal Balance shall be attached to this contract as appendix) x (1.61448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable 1M CME TERM SOFR to be confirmed 2 Banking days prior to each hire due date the first monthly hire has excluding interest payment, i.e. only debt portion, owners profit and covering brokerage. For 2nd monthly payment onward, last month interest to be added. The final monthly hire payment to be using the same the last month interest.

The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before that due date.

Charter Principal Balance means USD 19,565,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

Should the CME TERM SOFR falls to negative interest rate, zero (0) is to be applied as CME TERM SOFR.

3. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 44th hire with the interest period of 17th July, 2023 through 17th August, 2023.

4. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

5. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)
Forever Shipping, S.A.

/s/ Chikashi Yamane

By: Chikashi Yamane
Title: President

Signature (Charterers)
Rider Shipmanagement Inc.

/s/ Georgios Panagakis

By:
Title:

DATED June 2023

**IRAKLIA SHIPPING CORPORATION
ANTIKITHIRA SHIPPING CORPORATION
LIMNOS SHIPPING CORPORATION
THERA SHIPPING CORPORATION
FANDANGO SHIPPING CORPORATION
FLAVESCENT SHIPPING CORPORATION
SUNSTONE SHIPPING CORPORATION
COASTERS VENTURES LIMITED
VELVET SHIPPING CORPORATION and
BERTYL VENTURES CO. (1)**

- and -

NATIONAL BANK OF GREECE S.A. (2)

**FACILITY AGREEMENT
in respect of a loan of
up to USD77,822,442.67**

INCE & CO.

PIRAEUS

Index

Clause	Page
1. Purpose, definitions and construction	2
2. The Commitment and cancellation	29
3. Rate Switch	30
4. Interest and Interest Periods	31
5. Changes to the Calculation of Interest	33
6. Repayment and prepayment	36
7. Fees and expenses	39
8. Payments and taxes; accounts and calculations	40
9. Representations and warranties	43
10. Undertakings	49
11. Conditions	63
12. Events of Default	63
13. Indemnities	68
14. Unlawfulness, increased costs and bail-in	69
15. Application of moneys, set off, pro-rata payments and miscellaneous	71
16. Accounts and Retention	73
17. Amendments	75
18. Assignment, transfer and lending office	77
19. Notices and other matters	83
20. Governing law	84
21. Jurisdiction	84
22. Borrowers' obligations	86
Schedule 1 Form of Drawdown Notice	89
Schedule 2 Conditions precedent	91
Schedule 3 Form of Compliance Certificate	97

Schedule 4 Vessel and Third-Party Manager Definitions	99
Schedule 5 Vessel Details	101
Schedule 6 Reference Rate Terms	104
Schedule 7 Cumulative Compounded RFR Rate	106
Execution Pages	107

THIS AGREEMENT dated ____ June 2023 is made **BY** and **BETWEEN**:

- (1) **IRAKLIA SHIPPING CORPORATION**, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower A**”);
- (2) **ANTIKITHIRA SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower B**”);
- (3) **LIMNOS SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower C**”);
- (4) **THERA SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower D**”);
- (5) **FANDANGO SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower E**”);
- (6) **FLAVESCENT SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower F**”);
- (7) **SUNSTONE SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower G**”);
- (8) **COASTERS VENTURES LIMITED** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower H**”);
- (9) **VELVET SHIPPING CORPORATION** a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower I**”);
- (10) **BERTYL VENTURES CO.**, each a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, as borrower (the “**Borrower J**”); and

(11) NATIONAL BANK OF GREECE S.A. acting through its branch at 2 Bouboulinas Street & Akti Miaouli, Piraeus 18535, Greece (the “Lender”).

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. PURPOSE, DEFINITIONS AND CONSTRUCTION

1.1 Purpose

This Agreement sets out the terms and conditions upon which the Lender agrees to make available to the Borrowers a senior secured term loan facility in an amount not exceeding the lesser of (i) seventy-seven million eight hundred twenty-two four hundred forty two Dollars and sixty seven cents (USD77,822,442.67), (ii) the Existing Indebtedness and (iii) 55% of the aggregate Initial Valuation Amount of the Vessels, in up to two advances for the purpose of (a) refinancing (in whole or in part) the principal amount outstanding under each Existing Agreement and (b) providing liquidity to the Corporate Guarantor for general corporate purposes in connection with any part of the principal amount outstanding under each Existing Agreement as at the date of the Commitment Letter which is prepaid by the Security Parties by utilisation of own funds.

1.2 Definitions

In this Agreement, unless the context otherwise requires:

“**Advance**” means the borrowing by the Borrowers of a part of the Commitment under this Agreement in an amount not exceeding the relevant Maximum Available Amount.

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

“**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;

“**Approved Broker**” means Arrow Valuations Ltd, Allied Shipbroking Inc, Braemar ACM Valuations, H. Clarkson & Co. Ltd., Fearnleys A/S, E.A. Gibson Shipbrokers Ltd., Howe Robinson Partners, Maersk Brokers K/S and SSY Valuations Services Ltd or such other reputable, independent and first class firm of ship sale and purchase brokers as the Lender may, in its absolute discretion, agree is an Approved Broker for the purposes of this Agreement;

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

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

“**Bail-In Legislation**” means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;

(b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and

(c) in relation to the United Kingdom, the UK Bail-In Legislation;

“**Balloon Instalment**” has the meaning given to it in Clause 6.1 (*Repayment of Loan*), as the same may reduce from time to time;

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

“**Borrower**” means Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower F, Borrower G, Borrower H, Borrower I or Borrower J and, in the plural, means all of them;

“**Borrower A**” means Iraklia Shipping Corporation., a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower B**” means Antikithira Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower C**” means Limnos Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower D**” means Thera Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower E**” means Fandango Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower F**” means Flavescent Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower G**” means Sunstone Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower H**” means Coasters Ventures Limited, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower I**” means Velvet Shipping Corporation, a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower J**” means Bertyl Ventures Co., a corporation incorporated in the Republic of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Break Costs**” means the amount (if any) by which, in respect of any Term Rate Loan:

- (a) the interest which the Lender should have received for the period from the date of receipt of all or any part of the Loan or an Unpaid Sum to the last day of the current Interest Period in relation to the Loan, the relevant part of the Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period, exceeds
- (b) the funding rate of that Lender in respect of an amount equal to the principal amount or Unpaid Sum for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in New York, London, Athens and Piraeus and, in relation to:

- (a) the fixing of an interest rate in respect of a Term Rate Loan;
- (b) any date for payment of an amount relating to a Compounded Rate Loan; or
- (c) the determination of the first day or the last day of an Interest Period for a Compounded Rate Loan or otherwise in relation to the determination of the length of such an Interest Period; or
- (d) the determination of the Drawdown Date,

which is an RFR Banking Day relating to that Term Rate Loan or Compounded Rate Loan (as the case may be).

“**Casualty Amount**” means five hundred thousand Dollars (USD500,000) (or the equivalent in any other currency);

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

“**Change of Control Event**” means the occurrence after the date of this Agreement of any of the following:

- (a) the Permitted Owners own less than 5% of the partnership interests in the Corporate Guarantor;
- (b) the Permitted Owners own less than 100% of Olympos Maritime Ltd of the Marshall Islands, the general partner of the Corporate Guarantor
- (c) Olympos Maritime Ltd of the Marshall Islands ceases to be the general partner of the Corporate Guarantor unless the Permitted Owners control the successor general partner;
- (d) the Corporate Guarantor is not the sole member of the Shareholder;
- (e) the Shareholder ceases to be the registered owners of 100% of the issued shares in each Borrower and/or to control 100% of the voting rights attaching to such shares;
- (f) any change in the ultimate beneficial ownership of Navios Shipmanagement or any other Manager (except any Third-Party Manager); and
- (g) Ms. Angeliki Frangou (and/or her immediate family) ceases to have direct and/or indirect involvement in the management of the Corporate Guarantor and/or the Borrowers;

“**Charter Assignment**” means, in relation to a Vessel, a specific assignment of any Extended Employment Contract (and any guarantee thereof) required to be executed hereunder by the Borrower owning that Vessel in favour of the Lender (including any consent of the relevant charterer or guarantor necessary for such assignment to be effective and/or notices and/or acknowledgements and/or undertakings associated therewith) in such form as the Lender may require in its sole discretion;

“**Classification**” means, in relation to a Vessel, the highest class available for a vessel of her type and age with the relevant Classification Society, which as at the date of this Agreement is in relation to each Vessel the approved classification as specified in Schedule 5 (*Vessel Details*);

“**Classification Society**” means, in relation to the Vessel, any classification society which is a member of the International Association of Classification Societies and which shall be acceptable to the Lender at its absolute discretion, which as at the date of this Agreement is in relation to each Vessel the approved classification society as specified in Schedule 5 (*Vessel Details*);

“**Co-assured’s Undertaking and Assignment of Insurances**” means, in relation to a Vessel, an undertaking and assignment of the rights, title and interest in and to all the benefit of the Insurances in respect of that Vessel and subordination of its claims to the Lender to be executed hereunder by any co-assured party in favour of the Lender in such form as the Lender may agree or require, and in the plural means all of them;

“**Code**” means the US Internal Revenue Code of 1986, as amended, and the regulations promulgated and rulings issued thereunder;

“**Commitment**” means seventy-seven million eight hundred twenty-two thousand four hundred forty two Dollars and sixty seven cents (USD77,822,442.67) to the extent not reduced and/or cancelled under this Agreement;

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 3 signed by the chief financial officer of the Corporate Guarantor;

“**Compounded Rate Interest Payment**” means the aggregate amount of interest that:

- (a) is, or is scheduled to become, payable under any Security Document; and
- (b) relates to a Compounded Rate Loan.

“**Compounded Rate Loan**” means the Loan or any part of the Loan or, if applicable, any Unpaid Sum which is not a Term Rate Loan.

“**Compounded Reference Rate**” means, in relation to any Interest Period of a Compounded Rate Loan, the percentage rate per annum which is the Cumulative Compounded RFR Rate for that Interest Period and if that rate is less than zero, the Compounded Reference Rate shall be deemed to be zero.

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

- (a) is agreed in writing by the Borrowers and the Lender;
- (b) specifies a calculation methodology for that rate; and
- (c) has been made available to the Borrowers and the Lender.

“**Compulsory Acquisition**” means, in relation to a Vessel, any requisition for title or other compulsory acquisition of that Vessel including, if that Vessel is not released therefrom within the Relevant Period, capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation howsoever for any reason (but excluding requisition for use or hire) by or on behalf of any Government Entity or other competent authority or by pirates, hijackers, terrorists or similar persons; “**Relevant Period**” means either (i) ninety (90) days or, (ii) in respect of pirates, hijackers, terrorists or similar persons, if relevant underwriters confirm in writing (in terms satisfactory to the Lenders) prior to the end of such ninety (90) day period that such capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation will be covered by the relevant Owner’s war risks insurance, the shorter of six (6) months after the date upon which the relevant incident occurred and such period at the end of which cover is confirmed to attach;

“**Confidential Information**” means all information relating to the Borrowers, any Security Party, any Group Member, the Security Documents or the Loan of which the Lender becomes aware in its capacity as, or for the purpose of becoming, a Lender or which is received by a Lender in relation to, or for the purpose of becoming a Lender under, the Security Documents or the Loan from the Borrowers, the Corporate Guarantor or any other Security Party or any of their advisers in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public information other than as a direct or indirect result of any breach by the Lender of Clause 18.6 (*Disclosure of information*); or
- (b) is identified in writing at the time of delivery as non-confidential by any Borrower, any other Security Party or any of their advisers; or
- (c) is known by the Lender before the date the information is disclosed to it in accordance with Paragraphs (a) or (b) above or is lawfully obtained by the Lender after that date, from a source which is, as far as the Lender is aware, unconnected with any Borrower or any other Security Party and which, in either case, as far as the Lender is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; or
- (d) any Funding Rate.

“**Confidentiality Undertaking**” means a confidentiality undertaking in substantially the appropriate form recommended by the London Market Association (or any successor organisation) from time to time or in any other form agreed between the Borrowers and the Lender;

“**Corporate Guarantee**” means the unconditional, irrevocable and on demand guarantee of the obligations of the Borrowers under this Agreement required to be executed by the Corporate Guarantor in favour of the Lender in such form as the Lender may require;

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

“**Cumulative Compounded RFR Rate**” means, in relation to an Interest Period for a Compounded Rate Loan, the percentage rate per annum determined by the Lender in accordance with the methodology set out in Schedule 7 (*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 Vessel and if required by the laws of the relevant Flag State, the deed of covenant collateral to the Mortgage over that Vessel and creating Security over that Vessel in agreed form.

“**Deed of Release**” means, in relation to an Existing Agreement a deed releasing the Existing Security Interests and any Existing Indebtedness relating to that Existing Agreement in such form as the Lender may approve or require in its sole discretion and, in the plural, means all of them;

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

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

“**Drawdown Date**” means any date being a Business Day falling during the Drawdown Period on which the Loan is, or is to be, made available;

“**Drawdown Notice**” means a notice substantially in the form of Schedule 1;

“**Drawdown Period**” means the period commencing on the Execution Date and ending on the earliest of (i) 30 June 2023; (ii) such later date as the Lender may agree in its sole discretion and (iii) any date on which the Commitment is finally cancelled or fully drawn under the terms of this Agreement;

“**Earnings**” means, in relation to a Vessel, all moneys whatsoever from time to time due or payable to the Borrower owning that Vessel during the Facility Period arising out of the use or operation of that Vessel including (but without limiting the generality of the foregoing) all freight, hire and passage moneys, income arising under pooling arrangements, compensation payable to the Borrower in event of requisition of the Vessel for hire, remuneration for salvage and towage services, contributions in general average, demurrage and detention moneys, and damages for breach (or payments for variation or termination) of any charterparty or other contract (including any contract of affreightment) for the employment of the Vessel (including any proceeds under any loss of hire insurance (if any));

“**Earnings Account**” means, in relation to a Borrower, an interest bearing USD current account opened or (as the context may require) to be opened by that Borrower with the Lender in Piraeus and includes any sub-accounts thereof and any other account designated in writing by the Lender to be the Earnings Account for the purposes of this Agreement;

“**EBITDA**” means the aggregate amount of combined pre-tax profits of the Group before extraordinary or exceptional items, interest, depreciation and amortisation as shown, for any relevant period, by the Latest Accounts for the relevant period;

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“**EIAPP Certificate**” means, in relation to a Vessel, the Engine International Air Pollution Prevention Certificate issued or to be issued pursuant to Annex VI of the International Convention for the Prevention of Pollution from Ships, MARPOL 73/78 (Regulations for the Prevention of Air Pollution from Ships) (as currently in force and as the same may be amended from time to time) in relation to that Vessel;

“**Election Notice**” has the meaning given to it in Clause 3.1 (*Switch to Compounded Reference Rate*).

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

“Environmental Affiliate” means any agent or employee of any Borrower, any Manager or any other Group Member or any other person (save for the Third Party Manager) having a contractual relationship with any Borrower, any Manager or any other Group Member in connection with a Relevant Ship or its operation or the carriage of cargo and/or passengers thereon and/or the provision of goods and/or services on or from a Relevant Ship;

“Environmental Approvals” means all present and future authorisations, consents, licences, permits, exemptions or other approvals required under applicable Environmental Laws;

“Environmental Claim” means (i) any claim by, or directive from, any applicable Government Entity alleging breach of, or non-compliance with, any Environmental Laws or Environmental Approvals or otherwise howsoever relating to or arising out of an Environmental Incident or alleged Environmental Incident or (ii) any claim by any other third party howsoever relating to or arising out of an Environmental Incident (and, in each such case, “claim” shall include a claim for damages and/or direction for and/or enforcement relating to clean-up costs, removal, compliance, remedial action or otherwise) or (iii) any Proceedings arising from any of the foregoing;

“Environmental Incident” means, regardless of cause, (i) any actual or threatened discharge or release of Environmentally Sensitive Material from any Relevant Ship; (ii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than a Relevant Ship which involves collision between a Relevant Ship and such other vessel or some other incident of navigation or operation, in either case, where the Relevant Ship, the Manager and/or the relevant Borrower and/or the relevant Group Member and/or the relevant Operator are actually, contingently or allegedly at fault or otherwise howsoever liable (in whole or in part) or (iii) any incident in which Environmentally Sensitive Material is discharged or released from a vessel other than a Relevant Ship and where such Relevant Ship is actually or potentially liable to be arrested as a result and/or where the Manager (other than the Third-Party Manager in relation to vessels other than the Mortgaged Vessels) and/or the relevant Borrower and/or other Group Member and/or the relevant Operator are actually, contingently or allegedly at fault or otherwise howsoever liable;

“Environmental Laws” means all present or future laws, regulations, conventions and agreements whatsoever relating to pollution, human or wildlife well-being or protection of the environment (including, without limitation, the United States Oil Pollution Act of 1990 and any comparable laws of the individual States of the USA);

“Environmentally Sensitive Material” means all contaminations, oil, oil products, toxic substances or any other products or substance which are or are capable of being or becoming polluting, toxic or hazardous or any substance the release of which into the environment is howsoever regulated, prohibited or penalised by or pursuant to any Environmental Law;

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time;

“**Event of Default**” means any of the events or circumstances listed in Clause 12 (*Events of Default*);

“**Execution Date**” means the date on which this Agreement has been executed by all the parties hereto;

“**Existing Agreement**” means each Existing Loan Agreement and each Existing Bareboat Charter;

“**Existing Bareboat Charter**” means each of Bareboat Charter A, Bareboat Charter B, Bareboat Charter C, Bareboat Charter D and Bareboat Charter E and in the plural means all of them;

“**Existing Bareboat Charter A**” means the bareboat charter dated 16 October 2019 (as amended and supplemented from time to time) in respect of Vessel A and entered into by Borrower A as owner and Bareboat Charterer A as charterer in relation to the lease finance of Vessel A;

“**Existing Bareboat Charter B**” means the bareboat charter dated 16 October 2019 (as amended and supplemented from time to time) in respect of Vessel B and entered into by Borrower B as owner and Bareboat Charterer B as charterer in relation to the lease finance of Vessel B;

“**Existing Bareboat Charter C**” means the bareboat charter dated 16 October 2019 (as amended and supplemented from time to time) in respect of Vessel C and entered into by Borrower C as owner and Bareboat Charterer C as charterer in relation to the lease finance of Vessel C;

“**Existing Bareboat Charter D**” means the bareboat charter dated 16 October 2019 (as amended and supplemented from time to time) in respect of Vessel D and entered into by Borrower D as owner and Bareboat Charterer D as charterer in relation to the lease finance of Vessel D;

“**Existing Bareboat Charter E**” means the bareboat charter dated 25 May 2018 (as amended and supplemented from time to time) in respect of Vessel J and entered into by Borrower J as owner and Bareboat Charterer E as charterer in relation to the lease finance of Vessel E;

“**Existing Bareboat Charterer A**” means Xiang T106 HK International Ship Lease Co., Limited, a company incorporated under the laws of Hong Kong (with registration number 2851156) whose registered address is at 1/F Far East Consortium Bldg 121 Des Voeux Rd Central, Hong Kong;

“**Existing Bareboat Charterer B**” means Xiang T105 HK International Ship Lease Co., Limited, a company incorporated under the laws of Hong Kong (with registration number 2851156) whose registered address is at 1/F Far East Consortium Bldg 121 Des Voeux Rd Central, Hong Kong;

“**Existing Bareboat Charterer C**” means Xiang T107 HK International Ship Lease Co., Limited, a company incorporated under the laws of Hong Kong (with registration number 2851156) whose registered address is at 1/F Far East Consortium Bldg 121 Des Voeux Rd Central, Hong Kong;

“Existing Bareboat Charterer D” means Xiang T108 HK International Ship Lease Co., Limited, a company incorporated under the laws of Hong Kong (with registration number 2851156) whose registered address is at 1/F Far East Consortium Bldg 121 Des Voeux Rd Central, Hong Kong;

“Existing Bareboat Charterer E” means Ocean Wood Tang Shipping Limited, a company incorporated under the laws of Hong Kong whose registered address is at Room 2310, 23/F C C Wu Building, 302-308, Hennessy Road, Wanchai, Hong Kong;

“Existing Indebtedness” means, in relation to an Existing Agreement at any date, the outstanding Borrowed Money on that date under that Existing Agreement;

“Existing Lender” means:

- (a) in relation to Existing Loan Agreement A, National Bank of Greece S.A.,
- (b) in relation to Existing Loan Agreement B, NIBC Bank N.V.;

“Existing Loan Agreement” means the Existing Loan Agreement A or the Existing Loan Agreement B;

“Existing Loan Agreement A” means the loan agreement dated 17 June 2021, and as further amended from time to time and made between, inter alios (i) Borrower E, Borrower F and Borrower G as borrowers and (ii) the relevant Existing Lender as lender in respect of a loan facility of (originally) up to USD43,000,000.

“Existing Loan Agreement B” means the loan agreement dated 28 December 2018 (as amended and supplemented by a supplemental letter dated 3 May 2019, a supplemental letter dated 5 July 2019 and a supplemental letter dated 6 September 2019 and as amended and restated by a deed of accession, amendment restatement and release dated 7 December 2020) as amended from time to time and made between, inter alios (i) Borrower H and Borrower I as borrowers and (ii) the relevant Existing Lender as lender in respect of a loan facility of (originally) up to USD28,500,000.

“Existing Security Interests” means, in relation to an Existing Agreement, any Encumbrances created to secure the Existing Indebtedness under that Existing Agreement.

“Expenses” means together any expenses incurred by the Lender as set out in Clause 7.2 (*Expenses*);

“Expenses Interest Rate” means (i) in respect of expenses incurred in currencies other than Euro, the aggregate of the overnight or daily rate, as the case may be, displayed each day at the Lender’s board of relevant interest rates and the Margin plus 2% per annum for an amount equal to the amount of such expenses and (ii) in respect of expenses incurred in Euro, the highest time default interest rate in force at the relevant time in Greece;

“**Extended Employment Contract**” means, in respect of the Vessel and at any relevant time, any bareboat charterparty (irrespective of the duration of such charterparty) or any time charterparty or other contract of employment of such ship (including the entry of the Vessel in any pool) which has a tenor of twelve (12) months or more (including any options to renew or extend such tenor) at such time;

“**Facility Period**” means the period starting on the date of this Agreement and ending on such date as all obligations whatsoever of all of the Security Parties under or pursuant to the Security Documents whensoever arising, actual or contingent, have been irrevocably paid, performed and/or complied with;

“**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 any law or regulation referred to in paragraph(a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in Paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

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

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

“**FATCA FFI**” means a foreign financial institution as defined in section 1471(d)(4) of the Code which, if the Lender is not a FATCA Exempt Party, could be required to make a FATCA Deduction;

“**Flag State**” means, in relation to a Vessel, Malta, Panama, Liberia, Marshall Islands or the country, which is acceptable to the Lender, on whose flag such Vessel is or is to be registered in the ownership of the relevant Borrower, which as at the date of this Agreement is in relation to each Vessel the flag specified in Schedule 5 (*Vessel Details*);

“**Fraction**” means, at any relevant time, a fraction having as numerator:

- (a) in respect of a sale of a Vessel, the sale price of such Vessel; and
- (b) in respect of a Total Loss of a Vessel, the insured value of such Vessel in connection with such Total Loss immediately prior to such Total Loss (or, if higher, the amount by which the amount should had been insured pursuant to the provisions of the Security Documents),

and as denominator an amount equal to the aggregate of:

- (c) an amount equal to:
 - (i) in respect of a sale of a Vessel, the sale price of such Vessel; and
 - (ii) in respect of a Total Loss of a Vessel, the insured value of such Vessel in connection with such Total Loss immediately prior to such Total Loss (or, if higher, the amount by which the amount should have been insured pursuant to the provisions of the Security Documents); and
- (d) the aggregate Valuation Amounts of all other Mortgaged Vessels;

“Funding Rate” means any individual rate notified by the Lender to a Security Party pursuant to any Security Document.

“General Assignment” means, in relation to a Vessel, the deed of assignment of its Earnings, Insurances and Requisition Compensation executed or to be executed by the Borrower owning that Vessel in favour of the Lender in such form as the Lender may require and in the plural means all of them;

“Government Entity” means any national or local government body, tribunal, court or regulatory or other agency and any organisation of which such body, tribunal, court or agency is a part or to which it is subject;

“Group” means, at any relevant time, the Borrowers, the Corporate Guarantor and their subsidiaries;

“Group Member” means any member of the Group;

“Historic Term SOFR” means, in relation to any Term Rate Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of that Term Rate Loan and which is as of a day which is no more than three RFR Banking Days before the Quotation Day.

“HMT” means His Majesty’s Treasury;

“IAPP Certificate” means, in relation to a Vessel, the International Air Pollution Prevention Certificate issued or to be issued pursuant to Annex VI of the International Convention for the Prevention of Pollution from Ships, MARPOL 73/78 (Regulations for the Prevention of Air Pollution from Ships) (as currently in force and as the same may be amended from time to time) in relation to that Vessel;

“IFRS” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

“Indebtedness” means any obligation howsoever arising (whether present or future, actual or contingent, secured or unsecured as principal, surety or otherwise) for the payment or repayment of money;

“Initial Valuation Amount” means, in relation to a Vessel, the Valuation Amount of that Vessel determined in accordance with the valuations in respect of that Vessel referred to in Schedule 2, Part 2, paragraph (q) and otherwise in accordance with Clause 10.2.2 (*Valuation of Vessel*);

“**Insurances**” means, in relation to a Vessel, all policies and contracts of insurance (which expression includes all entries of that Vessel in a protection and indemnity or war risks association) which are from time to time during the Facility Period in place or taken out or entered into by or for the benefit of the Borrower owning that Vessel (whether in the sole name of that Borrower, or otherwise) in respect of that Vessel or otherwise howsoever in connection with that Vessel and all benefits thereof (including claims of whatsoever nature and return of premiums);

“**Interest Expense**” means, for any relevant financial period, the aggregate interest paid or payable by the Group and any member thereof on any Indebtedness during such period;

“**Interest Payment Date**” means the last day of an Interest Period and, if an Interest Period is longer than three (3) months, the date falling at the end of each successive period of three (3) months from the start of such Interest Period;

“**Interest Period**” means each period for the calculation of interest in respect of the Loan ascertained in accordance with Clauses 4.3, 4.4 and 4.7;

“**Interpolated Historic Term SOFR**” means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than three RFR Banking Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of the Term Rate Loan; or
 - (ii) if no such Term SOFR is available for a period which is less than the Interest Period of the Term Rate Loan, SOFR for a day which is no more than five RFR Banking Days (and no less than three RFR Banking Days) before the Quotation Day; and
- (b) the most recent applicable Term SOFR (as of a day which is not more than three RFR Banking Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Term Rate Loan.

“**Interpolated Term SOFR**” means, in relation to any Term Rate Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the applicable Term SOFR (as of the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of the that Term Rate Loan; or

- (ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Term Rate Loan, SOFR for the day which is three RFR Banking Days) before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Term Rate Loan.

“**ISM Code**” means in relation to its application to the Borrowers, the Vessels and their operation:

- (a) ‘The International Management Code for the Safe Operation of Ships and for Pollution Prevention’, currently known or referred to as the ‘ISM Code’, adopted by the Assembly of the International Maritime Organisation by Resolution A.741(18) on 4 December 1993 and incorporated on 19 May 1994 into Chapter IX of the International Convention for Safety of Life at Sea 1974 (SOLAS 1974); and
- (b) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including, without limitation, the ‘Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations’ produced by the International Maritime Organisation pursuant to Resolution A.788(19) adopted on 25 December 1995,

as the same may be amended, supplemented or replaced from time to time;

“**ISM Code Documentation**” means, in relation to a Vessel, the document of compliance (DOC) and safety management certificate (SMC) issued by a Classification Society pursuant to the ISM Code in relation to that Vessel within the periods specified by the ISM Code;

“**ISM SMS**” means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

“**ISPS Code**” means the International Ship and Port Facility Security Code of the International Maritime Organisation and includes any amendments or extensions thereto and any regulations issued pursuant thereto;

“**ISSC**” means an International Ship Security Certificate issued in respect of a Vessel pursuant to the ISPS Code;

“**Latest Accounts**” means, in respect of any fiscal year of the Group, the latest annual audited consolidated accounts of the Corporate Guarantor required to be prepared pursuant to Clause 10.1.6 (*Financial Statements*);

“**Lender**” means National Bank of Greece S.A. acting through its shipping branch at 2 Bouboulinas Street & Akti Miaouli 185 35 Piraeus, Greece (fax no. +30 210 414 4120);

“**Lightweight**” means the lightweight tonnage of the Vessel as provided in (i) the Vessel’s capacity plan or (ii) the Vessel’s trim and stability booklet;

“Liquidity” means:

- (a) cash in hand legally and beneficially owned by any Group Member; and
- (b) cash deposits legally and beneficially owned by any Group Member and which are deposited with (A) the Lender or (B) any other bank or financial institution,

including any funds held with any bank from time to time to satisfy minimum liquidity requirements;

“Loan” means the aggregate principal amount in respect of the Loan Facility outstanding under this Agreement at any relevant time;

“Loan Facility” means the loan facility provided by the Lender on the terms and subject to the conditions of this Agreement in an amount not exceeding the Commitment;

“Lookback Period” means the number of days specified as such in the Reference Rate Terms.

“Management Agreement” means, in relation to a Vessel:

- (a) the management agreement dated 16 November 2007 (as amended and/or otherwise up-dated from time to time) made between the Corporate Guarantor (on behalf of, among others, each Borrower) and Navios Shipmanagement in such form and substance acceptable to the Lender; and
- (b) any other management or sub-management agreement entered into by a Manager in relation to that Vessel;

“Manager” means, in relation to a Vessel:

- (a) Navios Shipmanagement;
- (b) any Affiliate of Navios Shipmanagement Holdings;
- (c) Navios Tankers;
- (d) any other ship management entity ultimately controlled by Angeliki Frangou;
- (e) the Third Party Manager; and/or
- (f) any other commercial and/or technical manager (or, as the case may be, sub-manager) appointed by the Borrower owning that Vessel, with the prior written consent of the Lender, as the manager of that Vessel,

which as at the date of this Agreement in relation to each Vessel is the commercial and technical manager specified in Schedule 5 (*Vessel Details*);

“Manager’s Undertaking” means, in relation to a Vessel, the undertaking and assignment of insurances and subordination of its claims to the Lender required to be executed hereunder by each Manager of that Vessel in favour of the Lender in such form as the Lender may require and in the plural means all of them;

“Margin” means 2.15% (two point fifteen per cent) per annum;

“Market Disruption Rate” means:

- (a) in the case of a Term Rate Loan, the percentage rate per annum which is the Term Reference Rate for the Interest Period of the relevant Term Rate Loan; and
- (b) in the case of a Compounded Rate Loan, the rate (if any) specified as such in the Reference Rate Terms.

“Material Adverse Effect” means in the opinion of the Lender a material adverse effect on (i) the Lender’s rights under, or the security provided by, any Security Document, (ii) the ability of any Borrower or the Corporate Guarantor to perform or comply with any of its obligations under any Security Document or (iii) the value or nature of the financial condition of the Borrowers as a whole or the Corporate Guarantor;

“Maturity Date” means the date falling 5 years after the first Drawdown Date but in any event no later than 30 June 2028;

“Maximum Available Amount” means in relation to each Advance an amount equal to the lesser of:

- (a) the amount equal to 55 per cent. of the aggregate Initial Valuation Amount of the Vessels to be financed by that Advance;
- (b) the principal amount of any Existing Indebtedness outstanding as at the date of this Agreement in respect of the Vessels to be financed by that Advance; and
- (c) an amount which when aggregated with the amount borrowed pursuant to any previous Advance does not exceed the Commitment.

“MII and MAPI Policy” means a mortgagee’s interest and a mortgagee’s interest additional perils insurance in respect of each Vessel to be effected by the Lender on the Drawdown Date to cover the Vessels as the same may be renewed or replaced annually thereafter and maintained throughout the Facility Period through such brokers, with such underwriters and containing such coverage, terms and conditions as may be acceptable to the Lender in its sole discretion, insuring a sum of at least one hundred and fifteen per cent (115%) of the Outstanding Indebtedness;

“Money Laundering” has the meaning given to it in Article 1 of Directive 2015/849/EC of the Council of the European Communities;

“month” means a period beginning on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, provided that (a) if the period started on the last Business Day in a calendar month and if there is no such numerically corresponding day, it shall end on the last Business Day in such next calendar month and (b) if such numerically corresponding day is not a Business Day, the period shall end on the next following Business Day in the same calendar month if there is one, but if there is not, it shall end on the preceding Business Day and “months” and “monthly” shall be construed accordingly;

“Mortgage” means, in relation to a Vessel, the first priority or, as the case may be, preferred ship mortgage on that Vessel required to be executed hereunder by the Borrower owning that Vessel, to be in such form as the Lender may require in its sole discretion and in the plural means all of them;

“**Mortgaged Vessel**” means, at any relevant time, a Vessel which is at such time subject to a Mortgage.

“**Navios Shipmanagement**” means Navios Shipmanagement Inc., a corporation incorporated in the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

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

“**Navios Tankers**” means Navios Tankers Management Inc., a corporation incorporated in the Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Net Debt**” means, as at the date of calculation or, as the case may be, for any accounting period, the total debt of the Group less cash (which shall have the meaning given thereto under US GAAP meaning both restricted and freely available cash) as at that date or for that period as shown in the Latest Accounts;

“**Net Worth**” means, at any relevant time, the Total Assets less Total Liabilities;

“**OFAC**” means the Office of Foreign Assets Control of the US Department of Treasury;

“**Operator**” means any person who is from time to time during the Facility Period concerned in the operation of a Relevant Ship and falls within the definition of “Company” set out in rule 1.1.2 of the ISM Code;

“**Outstanding Indebtedness**” means the aggregate of all sums of money from time to time owing to the Lender, whether actually or contingently, under this Agreement and the Security Documents or any of them;

“**Party**” means a party to this Agreement or a Security Document;

“**Permitted Encumbrance**” means any Encumbrance in favour of the Lender created pursuant to the Security Documents, Permitted Liens and until the Drawdown Date any Existing Security Interests;

“**Permitted Liens**” means, in relation to a Vessel:

- (a) any lien on that Vessel for master’s, officer’s or crew’s wages outstanding;
- (b) any lien on that Vessel for salvage and any ship repairer’s or outfitter’s possessory lien for a sum not (except with the prior written consent of the Lender) exceeding the Casualty Amount; and
- (c) any other lien on that Vessel arising by statute or by operation of law (and not as a result of a default or omission of any Security Party) in respect of obligations which are not overdue (and while such obligations are not overdue),

in each case in the ordinary course of trading provided such liens (A) do not exceed the amount of USD600,000 and (B) do not secure amounts more than 30 days overdue.

“Permitted Owners” means:

- (a) Angeliki Frangou;
- (b) each of her spouse, siblings, ancestors, descendants (whether by blood, marriage or adoption, and including stepchildren) and the spouses, siblings, ancestors and descendants (whether by blood, marriage or adoption, and including stepchildren) of such natural persons, the beneficiaries, estates and legal representatives of any of the foregoing, the trustee of any bona fide trust of which any of the foregoing, individually or in the aggregate, are the majority in interest beneficiaries or grantors, and any corporation, partnership, limited liability company or other person in which any of the foregoing, individually or in the aggregate, own or control a majority in interest (Angeliki Frangou and/or any one of the foregoing called, a **“Person”**);
- (c) Navios Maritime Holdings Inc., a corporation incorporated in the Marshall Islands and having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands, MH96960; and
- (d) all Affiliates controlled by a Person;

“Pertinent Jurisdiction” means any jurisdiction in which or where any Security Party is incorporated, resident, domiciled, has a permanent establishment or assets, carries on, or has a place of business or is otherwise howsoever effectively connected;

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

“Prohibited Parties” means any persons, entities or parties that are:

- (a) listed on, or owned or controlled by, a person, entity or party listed on any Sanctions List; or
- (b) located in, incorporated under the laws of, or owned or controlled by, or acting on behalf of, a person, entity or party located in, or organised under the laws of, a country or territory that is the target of country-wide Sanctions (or whose government is the target of Sanctions), as applicable; or
- (c) located, berthed or anchored at prohibited ports; or
- (d) being otherwise a target of Sanctions; or
- (e) acting or purporting to act on behalf of any of the parties listed under Paragraphs (a) and (b) above; or

- (f) with which the Lender is prohibited from dealing, or otherwise engaging in any transaction, pursuant to OFAC, United Nations, European Union and HMT Sanctions.

“Quotation Day” means, in relation to any period for which an interest rate is to be determined two RFR Banking 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 Lender in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days);

“Rate Switch Date” has the meaning given to it in Clause 3.1 (*Switch to Compounded Reference Rate*).

“Reference Rate Supplement” means a document which:

- (a) is agreed in writing by the Borrowers and the Lender;
- (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 the Lender.

“Reference Rate Terms” means the terms set out in Schedule 6 (*Reference Rate Terms*) or in any Reference Rate Supplement.

“Registry” means, in relation to a Vessel, the office of the registrar, commissioner or representative of the relevant Flag State, who is duly empowered to register that Vessel, the relevant Borrower’s title thereto and the relevant Mortgage under the laws and flag of the relevant Flag State;

“Relevant Market” means the market specified as such in the Reference Rate Terms.

“Relevant Ship” means, in relation to a Vessel, and any other ship from time to time (whether before or after the date of this Agreement) owned, managed or crewed by, or chartered to, any Group Member;

“Repayment Date” means the date on which any instalment of the Loan is repayable under the provisions of Clause 6.1 (*Repayment*);

“Repayment Instalment” means in respect of the Loan, each of the repayment instalments falling due under and in accordance with Clause 6.1 (*Repayment*), as the same may be reduced in accordance with this Agreement;

“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.

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

“Required Security Amount” means the amount in USD (as certified by the Lender) which is at any relevant time one hundred and twenty five per cent (125%) of the Loan;

“Requisition Compensation” means, in relation to a Vessel, all moneys or other compensation from time to time payable during the Facility Period by reason of Compulsory Acquisition of that Vessel;

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers;

“Retention Account” means an interest bearing USD account in the name of the Borrower opened or (as the context may require) to be opened by the Borrower with the Lender and includes any sub-accounts thereof and any other account designated in writing by the Lender to be the Retention Account for the purposes of this Agreement;

“Retention Account Pledge” means the first priority pledge required to be executed hereunder by the Borrower over the Retention Account in such form as the Lender may agree or require;

“Retention Amount” means, in relation to any Retention Date, such sum as shall be the aggregate of:

- (a) one-third (1/3rd) of the repayment instalment in respect of the Loan falling due for payment pursuant to Clause 6.1 (*Repayment*) (as the same may have been reduced by any prepayment) on the next Repayment Date after the relevant Retention Date; and
- (b) in relation to a Term Rate Loan, the relevant fraction of the aggregate amount of interest on that Term Rate Loan which is payable on the next due date for payment of interest in respect of that Term Rate Loan under this Agreement; and
- (c) in relation to a Compounded Rate Loan and in relation to any Interest Period having a duration in excess of one Month, the amount of interest that would have been payable in respect of such Interest Period were interest to be calculated on the basis of Term SOFR plus the Margin, **provided that** if the amount paid by the Borrowers pursuant to this paragraph(c) exceeds the applicable Compounded Rate Interest Payment payable on the relevant Interest Payment Date, any excess shall be retained in the Retention Account and shall be taken into account in respect of the calculation required to be made during the next Interest Period;

“Retention Dates” means the date falling one month after the Drawdown Date and each of the dates falling at monthly intervals after such date and prior to the Maturity Date;

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

“**RFR Banking 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.

“**Sanctions**” means any applicable 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 Hellenic Republic, the United Kingdom, the Council of the European Union, the United Nations or its Security Council or the United States of America, whether or not any Borrower, any other Security Party, any other member of the Group or any affiliate of any of them is legally bound to comply with the foregoing; or
- (b) otherwise imposed by any law or regulation by which any Borrower, any other Security Party, any other member of the Group or any affiliate of any of them is bound or, as regards a regulation, compliance with which is reasonable in the ordinary course of business of any Borrower, any other Security Party, any other member of the Group or any affiliate of any of them; or
- (c) otherwise imposed by the respective governmental institutions and agencies of any of the foregoing, including without limitation, OFAC, HMT, the Council of the European Union, the United Nations or its Security Council (together, the “**Sanctions Authorities**”).

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list issued by OFAC, the “Consolidated List of Financial Sanctions Targets and Investment Ban List” issued by HMT, the Consolidated list of persons, groups and entities subject to European Union financial sanctions and the United Nations or any similar list issued or maintained or made public by any of the Sanctions Authorities, as applicable.

“**Security Documents**” means this Agreement, the Mortgages, the Corporate Guarantee, the General Assignments, any Charter Assignment, the Retention Account Pledge, the Manager’s Undertakings, any Tripartite Deed, any Co-assured Undertaking and Insurances Assignment and any other documents as may have been or shall from time to time after the date of this Agreement be executed to guarantee and/or to govern and/or secure all or any part of the Loan, interest thereon and other moneys from time to time owing by the Borrowers pursuant to this Agreement;

“**Security Party**” means the Borrowers, the Corporate Guarantor, the Managers or any other person who may at any time be a party to any of the Security Documents (other than the Lender);

“**Security Value**” means the amount in USD (as certified by the Lender) which is, at any relevant time, the aggregate of (a) the aggregate of the Valuation Amounts of the Mortgaged Vessels and (b) the net realizable market value of any additional security for the time being actually provided to the Lender pursuant to Clause 10.2.1 (*Security shortfall*);

“**Shareholder**” means:

- (a) in relation to Borrower A, Borrower B, Borrower C and Borrower D, Navios Maritime Midstream Operating L.L.C., a limited liability company formed in Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;
- (b) in relation to Borrower E, Borrower F, Borrower G, Borrower H and Borrower I, Navios Maritime Operating L.L.C., a limited liability company formed in Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960; and
- (c) in relation to Borrower J, Navios Partners Containers Inc., a corporation incorporated in Republic of the Marshall Islands with its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Ship Security Documents**” means, in relation to a Vessel, the relevant Mortgage, any Deed of Covenant, the relevant General Assignment, any relevant Charter Assignment, any Tripartite Deed, any Co-assured Undertaking and Insurances Assignment and any relevant Manager’s Undertaking in respect of that Vessel;

“**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) and if that rate is less than zero, SOFR shall be deemed to be zero.

“**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;
- (c) and any company of which S is a subsidiary is a parent company of S;

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

“**Term Rate Loan**” means the Loan or any part of the Loan or, if applicable, any Unpaid Sum which has not ceased to be a Term Rate Loan pursuant to any of Clause 3.1 (*Switch to Compounded Reference Rate*), Clause 5.1.2 (*Unavailability of Term SOFR*) or Clause 5.4 (*Market Disruption*).

“**Term Reference Rate**” means, in relation to a Term Rate Loan:

- (a) the applicable Term SOFR as of the Quotation Day and for a period equal in length to the Interest Period of that Term Rate Loan; or
- (b) as otherwise determined pursuant to Clause 5.1 (*Unavailability of Term SOFR*),

and if in either case, that rate is less than zero, the Term Reference Rate shall be deemed to be zero.

“**Term SOFR**” means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

“**Total Assets**” means, as at the date of calculation or, as the case may be, for any accounting period, the total assets (based on book values) (which shall have the meaning given thereto under US GAAP) of the Corporate Guarantor as at that date or for that period as shown in the Latest Accounts.

“**Total Liabilities**” means, as at the date of calculation or, as the case may be, for any accounting period, the total liabilities (which shall have the meaning given thereto under US GAAP) of the Corporate Guarantor as at that date or for that period as shown in the Latest Accounts;

“**Total Loss**” means, in relation to a Vessel:

- (a) any actual, constructive, agreed, compromised or arranged total loss of that Vessel; or
- (b) any Compulsory Acquisition; or
- (c) any hijacking, forfeiture, theft, condemnation, capture, seizure, arrest, detention or confiscation of the Vessel not falling within the definition of Compulsory Acquisition by any Government Entity, or by persons allegedly acting or purporting to act on behalf of any Government Entity, unless (i) the Vessel be released and restored to the relevant Owner within ninety (90) days after such incident, or (ii) if relevant underwriters confirm in writing (in customary terms) prior to the end of such ninety (90) day period that such capture, seizure, detention or confiscation will be fully covered by the relevant Owner’s war risks insurance, the shorter of six (6) months and such period for which cover is confirmed to attach;

“**Tripartite Deed**” means, in relation to a Vessel and if such Vessel is subject to a bareboat charter (other than the Existing Bareboat Charters), a deed containing (inter alia) an assignment of the relevant charterer’s rights, title and interest in the insurances of that Vessel and an undertaking by the relevant charterer pursuant to which such charterer will agree to comply with the relevant Borrower’s obligations with regards to the employment, insurances, operation, repairs and maintenance of that Vessel and, if that Vessel is to be dually registered, grant the Lender the right to de-register such Vessel from any bareboat registry, required to be executed by the Borrower who is the owner thereof and the relevant charterer in favour of the Lender in such form as the Lender may require in its sole discretion;

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

“**Underlying Documents**” means any Extended Employment Contracts and any Management Agreement;

“**Unlawfulness**” means any event or circumstance which is the subject of a notification by the Lender to the Borrowers under Clause 14.1 (*Unlawfulness*);

“**Unpaid Sum**” means any sum due and payable but unpaid by a Security Party under the Security Documents;

“**USA**” means the United States of America;

“**US GAAP**” means generally accepted accounting principles in the United States of America;

“**US Tax Obligor**” means:

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

“**Valuation Amount**” means, in relation to a Vessel, the value of that Vessels most recently determined pursuant to Clause 10.2.2 (*Valuation of Vessels*);

“**Vessel**” means Vessel A, Vessel B, Vessel C, Vessel D, Vessel E, Vessel F, Vessel G, Vessel H, Vessel I and Vessel J as each is specified in Schedule 5 (*Vessel Details*) as at the date of this Agreement;

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any other applicable Bail-In Legislation other than the UK Bail-In Legislation:

- (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers;
- (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to the UK Bail-In Legislation any powers under the 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.

Words and expression defined in Schedule 4 shall have the meanings given to them therein stated as if the same were set out full in this Clause 1.2 (*Definitions*).

1.3 **Construction**

In this Agreement, unless the context otherwise requires:

- 1.3.1 clause headings and the index are inserted for convenience of reference only and shall be ignored in the construction of this Agreement;
- 1.3.2 references to clauses and schedules are to be construed as references to clauses of, and schedules to, this Agreement and references to this Agreement include its schedules and any supplemental agreements executed pursuant hereto;
- 1.3.3 references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as duly amended and/or supplemented and/or novated;
- 1.3.4 reference to the Lender's "**cost of funds**" in relation to 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 the Lender would incur if it were to fund, from whatever source(s) it may reasonably select, an amount equal to the amount of the Loan or that part of the Loan for a period equal in length to the Interest Period of the Loan or that part of the Loan

- 1.3.5 references to a “regulation” include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any Government Entity, central bank or any self-regulatory or other supra-national authority (including, without limitation, any regulation implementing or complying with (1) the “*International Convergence of Capital Measurement and Capital Standards, a Revised Framework*” published by the Basel Committee on Banking Supervision in June 2004, in the form existing on the date of this Agreement (“**Basel II**”), and/or (2) “*Basel III: International framework for liquidity risk measurement, standards and monitoring*” and “*Basel III: A global regulatory framework for more resilient banks and banking systems*”, published by the Basel Committee on Banking Supervision in December 2010, in the form existing on the date of this Agreement (“**Basel III**”) and/or (3) any amendment, replacement or refinement of Basel III (“**Basel IV**”) and/or (4) any other law or regulation which, at any time and from time to time, implements and/or amends and/or supplements and/or re-enacts and/or supersedes, whether in whole or in part, Basel II and/or Basel III and/or Basel IV (including Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (“**CRD IV**”) and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (“**CRR**”)), and whether such implementation, application or compliance is by a Government Entity, a lender or any company affiliated to it;
- 1.3.6 references to any person in or party to this Agreement shall include reference to such person’s lawful successors and assigns and references to the Lender shall also include a Transferee Lender;
- 1.3.7 words importing the plural shall include the singular and vice versa;
- 1.3.8 references to a time of day are, unless otherwise stated, to Athens time;
- 1.3.9 references to a “person” shall be construed as references to an 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);
- 1.3.10 references to a “guarantee” include references to an indemnity or any other kind of assurance whatsoever (including, without limitation, any kind of negotiable instrument, bill or note) against financial loss or other liability including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and “guaranteed” shall be construed accordingly;
- 1.3.11 references to any statute or other legislative provision are to be construed as references to any such statute or other legislative provision as the same may be re-enacted or modified or substituted by any subsequent statute or legislative provision (whether before or after the date hereof) and shall include any regulations, orders, instruments or other subordinate legislation issued or made under such statute or legislative provision;
- 1.3.12 a certificate by the Lender as to any amount due or calculation made or any matter whatsoever determined in connection with this Agreement shall be conclusive and binding on the Borrowers except for manifest error;
- 1.3.13 if any document, term or other matter or thing is required to be approved, agreed or consented to by the Lender such approval, agreement or consent must be obtained in writing unless the contrary is stated;

- 1.3.14 time shall be of the essence in respect of all obligations whatsoever of the Borrowers under this Agreement, howsoever and whensoever arising;
- 1.3.15 and the words “other” and “otherwise” shall not be construed *eiusdem generis* with any foregoing words where a wider construction is possible; and
- 1.3.16 a Default (other than an 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 or remedied **provided that** for the purposes of Clause 12.2 (*Acceleration*), an Event of Default may only be remedied within 15 days from its occurrence; and
- 1.3.17 a reference in this Agreement to a page or screen of an information service displaying a rate shall include:
- (a) any replacement page of that information service which displays that rate; and
 - (b) the appropriate page of such other information service which displays that rate from time to time in place of that information service, and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Lender after consultation with the Borrowers.
- 1.3.18 any Reference Rate Supplement overrides anything in:
- (a) Schedule 6 (*Reference Rate Terms*); or
 - (b) any earlier Reference Rate Supplement.
- 1.3.19 a Compounding Methodology Supplement relating to the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
- (a) Schedule 7 (*Cumulative Compounded RFR Rate*); or
 - (b) any earlier Compounding Methodology Supplement.
- 1.4 **References to currencies**
- Currencies are referred to in this Agreement by the three letter currency codes (ISO 4217) allocated to them by the International Organisation for Standardisation.
- 1.5 **Contracts (Rights of Third Parties Act) 1999**
- Except for Clause 21.6.3 (*Jurisdiction*), no part of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

2. THE COMMITMENT AND CANCELLATION

2.1 Agreement to lend

The Lender, relying upon each of the representations and warranties in Clause 9 (*Representations and warranties*), agrees to make available to the Borrowers upon and subject to the terms of this Agreement, the Loan Facility in up to two Advances for the purposes specified in Clause 1.1 (*Purpose*).

2.2 Drawdown

2.2.1 Subject to the terms and conditions of this Agreement, the Commitment shall be made available to the Borrowers in up to two Advances following receipt by the Lender from the Borrowers of a Drawdown Notice not later than 10:00 a.m. (Athens time) on the third Business Day before the date, which shall be a Business Day falling within the Drawdown Period, on which the Borrowers proposes an Advance is made available **Provided that** the Lender shall be under no obligation to make an Advance or any part thereof (i) should any relevant Government Entity not approve the transfer of funds abroad (if any such approval is required) or (ii) if disbursement of the relevant Advance would violate any law applicable at the time.

2.2.2 The Drawdown Notice shall be effective on actual receipt by the Lender and, once given, shall, subject as provided in Clause 5.4 (*Market Disruption*), be irrevocable.

2.3 Limitation and application of the Loan

2.3.1 The amount of the Loan shall not exceed the amount of the Commitment.

2.3.2 The Drawdown Notice in relation to each Advance shall specify the Vessels to which that Advance relates and the principal amount specified in a Drawdown Notice for borrowing an Advance on the Drawdown Date shall, subject to the terms of this Agreement, not exceed the relevant Maximum Available Amount.

2.3.3 The Loan shall be paid forthwith upon drawdown to such account as the Borrowers shall stipulate in the relevant Drawdown Notice.

2.4 Availability

The Borrowers acknowledge that payment of the Loan or an Advance referred to in Clause 2.3.2 to the account or accounts specified in the relevant Drawdown Notice shall satisfy the obligation of the Lender to lend the Loan or the relevant Advance to the Borrowers under this Agreement.

2.5 Cancellation in changed circumstances

The Borrowers may at any time prior to the relevant Drawdown Date by notice to the Lender (effective only on actual receipt) cancel with effect from a date not less than ten (10) Business Days after receipt by the Lender of such notice, all or part of the undrawn Commitment.

2.6 **Use of proceeds**

2.6.1 Without prejudice to the Borrowers' obligations under Clause 10.1.4 (*Use of proceeds*), the Lender shall not have any responsibility for the application of the proceeds of the Loan or any part thereof by the Borrowers.

2.6.2 The Borrowers shall not, and shall procure that each other Security Party and each other Group Member and any subsidiary of any of them shall not, permit or authorise any other person to, directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of the Loan or any part thereof or other transactions contemplated by this Agreement to fund or facilitate trade, business or other activities: (i) involving or for the benefit of any Prohibited Party; or (ii) in any other manner that could result in the Borrowers or any other Security Party being in breach of any Sanctions or becoming a Prohibited Party.

3. RATE SWITCH

3.1 **Switch to Compounded Reference Rate**

The Borrowers may elect to switch the basis on which interest is calculated on the Loan from the Term Reference Rate to the Compounded Reference Rate, provided that the Lender is able to make, maintain or fund a Compounded Rate Loan, by giving the Lender not less than 60 days' notice in writing (the "**Election Notice**") specifying the date on which they want the switch to occur (the "**Rate Switch Date**"). On and from the Rate Switch Date:

3.1.1 use of the Compounded Reference Rate will replace the use of Term Reference Rate for the calculation of interest for the Loan or any part of the Loan; and

3.1.2 the Loan or any part of the Loan or Unpaid Sum shall be a "Compounded Rate Loan" and Clause 4.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to the Loan, any such part of the Loan or Unpaid Sum.

3.2 **Delayed switch following an Election Notice**

If the Rate Switch Date falls before the last day of an Interest Period for a Term Rate Loan:

3.2.1 the Loan, relevant part of the Loan or relevant Unpaid Sum (as applicable) shall continue to be a Term Rate Loan for that Interest Period and Clause 4.1 (*Calculation of interest – Term Rate Loans*) shall continue to apply to the Loan, relevant part of the Loan or relevant Unpaid Sum (as applicable) for that Interest Period;

3.2.2 any provision of this Agreement which is expressed to relate solely to a Compounded Rate Loan shall not apply in relation to the Loan, relevant part of the Loan or relevant Unpaid Sum (as applicable) for that Interest Period; and

3.2.3 on and from the first day of the next Interest Period (if any) for the Loan, relevant part of the Loan or relevant Unpaid Sum (as applicable):

- (a) the Loan, relevant part of the Loan or relevant Unpaid Sum (as applicable) shall be a “Compounded Rate Loan” as indicated in the Election Notice; and
- (b) Clause 4.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to it.

4. INTEREST AND INTEREST PERIODS

4.1 Calculation of interest – Term Rate Loans

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

- 4.1.1 the Margin; and
- 4.1.2 the applicable Term Reference Rate.

4.2 Calculation of interest – Compounded Rate Loans

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

- 4.2.1 the Margin; and
- 4.2.2 the Compounded Reference Rate for that Interest Period.

4.3 Selection of Interest Periods

Subject to other provisions of this Clause 4 (*Interest and Interest Periods*), the Borrowers may, by written notice sent by the Borrowers and received by the Lender not later than 11:00 a.m. (Athens time) on the second Business Day before the beginning of each Interest Period specify whether such Interest Period shall have a duration of one (1), three (3) or (if available by the Lender) six (6) months or such other period as the Borrowers may select and the Lender may agree.

4.4 Determination of Interest Periods

Subject to Clause 4.4.1, every Interest Period shall be of the duration specified by the Borrowers pursuant to Clause 4.3 (*Selection of Interest Periods*) but so that:

- 4.4.1 the first Interest Period:
- 4.4.2 in relation to each Advance shall commence on the Drawdown Date of that Advance and shall end on the last day of the Interest Period of the first Advance to be drawn and thereafter the Interest Period for both Advances shall be consolidated and each subsequent Interest Period shall start on the last day of the preceding Interest Period;
- 4.4.3 if any Interest Period would otherwise overrun a Repayment Date, then, in the case of the last Interest Period, such Interest Period shall end on the Maturity Date, and in the case of any other Interest Period, the Loan shall be divided into parts so that there is one part in the amount of the Repayment Instalment due on such Repayment Date and having an Interest Period ending on the relevant Repayment Date and another part in the amount of the balance of the Loan having an Interest Period ascertained in accordance with Clause 4.3 (*Selection of Interest Periods*) and the other provisions of this Clause 4.4 (*Determination of interest periods*); and

4.4.4 if the Borrowers fail to specify the duration of an Interest Period in accordance with the provisions of Clause 4.3 (*Selection of Interest Periods*) and this Clause 4.4.4, such Interest Period shall have a duration of three (3) months or such other period as shall comply with this Clause 4.4.4.

4.5 **Non-Business Days**

4.5.1 Other than where paragraph 4.5.2 below applies, if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

4.5.2 In respect of a Compounded Rate Loan, any rules specified as “Business Day Conventions” in the Reference Rate Terms shall apply to each Interest Period for that Compounded Rate Loan.

4.6 **Payment of interest**

The Borrowers shall pay accrued interest on the Loan or any part of the Loan on the earlier of (i) the last day of each Interest Period and (ii) the next Repayment Date.

4.7 **Default interest**

If the Borrowers fail to pay any amount payable by it under a Security Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at (a) in respect of any Expenses, the Expenses Interest Rate and (b) in respect of any other amount, a rate which is two per cent (2%) per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Lender. Any interest accruing under this Clause 4.7 (*Default interest*) shall be immediately due and payable by the Borrowers on 30 June and 31 December of the relevant year and each such day shall, for the purposes of this Agreement, be treated as the final day of an Interest Period in respect of that amount of interest.

Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

4.8 **Notification of rates of interest – Term Rate Loan**

If the Loan is a Term Rate Loan, the Lender shall promptly notify:

4.8.1 the Borrowers of the determination of a rate of interest under this Agreement; and

4.8.2 the Borrowers of each Funding Rate relating to the Loan or any part of the Loan or any Unpaid Sum.

4.9 **Notification of rates of interest – Compounded Rate Loan**

If the Loan is a Compounded Rate Loan, the Lender shall promptly notify the Borrowers of:

4.9.1 upon a Compounded Rate Interest Payment being determinable;

(a) that Compounded Rate Interest Payment;

(b) the Borrowers of, to the extent it is then determinable, the Market Disruption Rate (if any) relating to the relevant Compounded Rate Loan;

This Clause 4.9.1 shall not apply to any Compounded Rate Interest Payment determined pursuant to Clause 5.5 (*Cost of funds*).

4.9.2 each Funding Rate relating to the Loan or any part of the Loan; and

4.9.3 the determination of a rate of interest relating to a Compounded Rate Loan to which Clause 5.5 (*Cost of funds*) applies.

This Clause 4.9 (*Notification of rates of interest – Compounded Rate Loan*) shall not require the Lender to make any notification to any Party on a day which is not a Business Day.

5. CHANGES TO THE CALCULATION OF INTEREST

5.1 Unavailability of Term SOFR

5.1.1 *Interpolated Term SOFR*: If no Term SOFR is available for the Interest Period of a Term Rate Loan or any part of a Term Rate Loan, the applicable Term Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of the Term Rate Loan or that part of the Term Rate Loan.

5.1.2 *Historic Term SOFR*: If no Term SOFR is available for the Interest Period of a Term Rate Loan or any part of a Term Rate Loan, and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for the Term Rate Loan or part of the Term Rate Loan.

5.1.3 *Interpolated Historic Term SOFR*: If paragraph 5.1.2 applies but no Historic Term SOFR is available for the Interest Period of a Term Rate Loan or any part of a Term Rate Loan, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of the Term Rate Loan or that part of the Term Rate Loan.

5.1.4 *Cost of funds*: If paragraph 5.1.3 applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Term Reference Rate for the Term Rate Loan or the relevant part of a Term Rate Loan (as applicable) and Clause 5.5 (*Cost of funds*) shall apply to the Term Rate Loan, or that part of the Term Rate Loan for that Interest Period.

5.2 **Inability to offer or maintain Term SOFR**

If the Lender determines that it has or will become contrary to any law or regulation applicable to it for it to make, maintain or fund the Term Rate Loan or any part of the Term Rate Loan if interest is determined by reference to Term SOFR or for any reason whatsoever it is not possible to determine or charge interest in respect of the Term Rate Loan or any part of the Term Rate Loan based upon Term SOFR, or it becomes unlawful for the Lender to do so, then the Lender shall promptly notify the Borrowers and for any Interest Period commencing whilst the situation in relation to the Lender continues, the Term Rate Loan or any part of the Term Rate Loan shall be a “**Compounded Rate Loan**” for that Interest Period and Clause 4.2 (*Calculation of interest – Compounded Rate Loans*) shall apply to the Loan, or any part of the Loan for that Interest Period.

5.3 **Interest calculation if no RFR**

If:

5.3.1 there is no applicable RFR for the purposes of calculating the Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for a Compounded Rate Loan; and

5.3.2 “Cost of funds will apply as a fallback” is specified in the Reference Rate Terms,

Clause 5.5 (*Cost of funds*) shall apply to that Compounded Rate Loan for that Interest Period.

5.4 **Market disruption**

5.4.1 If in the case of a Term Rate Loan, before close of business in Athens on the Quotation Day for the relevant Interest Period the Lender determines that its cost of funds relating to that Term Rate Loan or that part of that Term Rate Loan would be in excess of the relevant Market Disruption Rate, Clause 5.5 (*Cost of funds*) shall apply to the Term Rate Loan, or that part of the Term Rate Loan for that Interest Period.

5.4.2 In the case of a Compounded Rate Loan, if:

- (a) a Market Disruption Rate is specified in the Reference Rate Terms; and
- (b) before the Reporting Time for the Loan or any part of the Loan, the Lender determines that its cost of funds relating to the Loan or the relevant part of the Loan would be in excess of that Market Disruption Rate,

then Clause 5.5 (*Cost of funds*) shall apply to the Loan or the relevant part of the Loan (as applicable) for the relevant Interest Period.

5.5 **Cost of funds**

5.5.1 If this Clause 5.5 (*Cost of funds*) applies to a Term Rate Loan for an Interest Period, Clause 4.1 (*Calculation of interest – Term Rate Loans*) shall not apply to that Term Rate Loan for that Interest Period and the rate of interest on the Term Rate Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

- (a) the Margin; and
- (b) the rate notified by the Lender to the Borrowers as soon as practicable and in any event before interest is due to be paid in respect of that Interest Period to be that which expresses as a percentage rate per annum its cost of funds relating to that Term Rate Loan or that part of that Term Rate Loan.

5.5.2 If this Clause 5.5 (*Cost of funds*) applies to a Compounded Rate Loan for an Interest Period, Clause 4.2 (*Calculation of interest – Compounded Rate Loans*) shall not apply to that Compounded Rate Loan for that Interest Period and the rate of interest on the Compounded Rate Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:

- (a) the Margin; and
- (b) the rate notified by the Lender to the Borrowers as soon as practicable and in any event in relation to a Compounded Rate Loan, by the Reporting Time for that Compounded Rate Loan,

to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in that Compounded Rate Loan.

5.5.3 If this Clause 5.5 (*Cost of funds*) applies and the Lender or the Borrowers so require, the Lender 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.

5.5.4 Subject to Clause 17.1 (*Changes to reference rates*), any substitute or alternative basis agreed pursuant to Paragraphs 5.5.1 and 5.5.1 above shall, be binding on all Parties.

5.5.5 If paragraph 5.5.6 below does not apply and any rate notified to the Lender under paragraph (b) of Clause 5.5.1 and under paragraph (b) of Clause 5.5.2 above is less than zero, the relevant rate shall be deemed to be zero.

5.5.6 If this Clause 5.5 (*Cost of funds*) applies pursuant to Clause 5.4 (*Market Disruption*) and:

- (a) the Funding Rate is less than the Market Disruption Rate; or
- (b) the Lender does not notify a rate to the Borrowers by the time specified in paragraph (b) of Clause 5.5.1 and paragraph (b) of Clause 5.5.2 above,

that cost of funds relating to the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of paragraph (b) of Clause 5.5.1 and paragraph (b) of Clause 5.5.2 above, to be the relevant Market Disruption Rate for the Loan or that part of the Loan.

5.5.7 If this Clause 5.5 (*Cost of funds*) applies, the Lender shall, as soon as practicable, notify the Borrowers.

5.6 **Break Costs**

The Borrowers shall, within three Business Days of the Lender's demand pay to the Lender the amount of such Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrowers on a day other than the last day of an Interest Period for that Loan, the relevant part of the Loan or that Unpaid Sum.

5.7 **Interest Rate Swaps**

None of the Borrowers or the Corporate Guarantor may enter into any interest hedging arrangements in order to fix Interest Periods under this Agreement without the prior written consent of the Lender.

6. **REPAYMENT AND PREPAYMENT**

6.1 **Repayment**

6.1.1 Subject to any obligation to pay earlier under this Agreement, the Borrowers must repay the Loan by:

- (a) twenty (20) equal quarterly consecutive instalments in an amount equal to USD2,500,000 each; and
- (b) an instalment (the “**Balloon Instalment**”) of USD29,000,000,

the first repayment instalment falling due 3 months after the first Drawdown Date to occur and subsequent instalments falling due at quarterly intervals thereafter, with the final instalment falling due on the Maturity Date and the Balloon Instalment being repayable together with the final such instalment.

6.1.2 If less than the full amount of the Loan is drawn down, then each of the said repayment instalments and the Balloon Instalment shall be reduced pro rata by the amount of, in aggregate, such undrawn amount.

6.1.3 The Borrowers shall on the Maturity Date also pay to the Lender all other amounts in respect of interest or otherwise then due and payable under this Agreement and the Security Documents.

6.2 **Voluntary prepayment**

Subject to Clauses 6.3 (*Mandatory Prepayment on Total Loss*), 6.5 (*Mandatory Prepayment on sale of the Vessel*), 6.6 (*Amounts payable on prepayment*) and 6.7 (*Notice of prepayment; reduction of Repayment Instalments*), the Borrowers may, subject to having given 5 days’ prior written notice thereof to the Lender, prepay any specified amount (such part being in an amount of one hundred thousand Dollars (USD100,000) or any larger sum which is an integral multiple of such amount or any other amount mutually agreed between the Borrowers and the Lender) of the Loan on any relevant Interest Payment Date without premium or penalty.

6.3 **Mandatory Prepayment on Total Loss**

On the date falling ninety (90) days after that on which the Vessel became a Total Loss or, if earlier, on the date upon which the relevant insurance proceeds are, or Requisition Compensation is, received by the Borrowers (or the Lender pursuant to the Security Documents) the Borrowers and/or the Corporate Guarantor must prepay the Loan by an amount equal to the higher of:

- 6.3.1 an amount equal to the product of (i) the amount of the Loan outstanding immediately prior to occurrence of such Total Loss multiplied by (ii) the Fraction;
- 6.3.2 an amount (if any) which after the application of the prepayment to be made pursuant to this Clause 6.3 results in the Security Value being equal to the Required Security Amount; and
- 6.3.3 an amount (if any) which after the application of the prepayment to be made pursuant to this Clause 6.3 results in the Security Value expressed as a percentage of the Loan being equal to the respective percentage which applied immediately prior to the occurrence of such Total Loss.

Any surplus following such prepayment and the payment of any additional amounts payable pursuant to Clause 6.6 (*Amounts payable on prepayment*) shall be paid to the relevant Borrower, subject to no Event of Default having occurred at the relevant time.

6.4 **Interpretation**

For the purpose of this Agreement, a Total Loss of a Vessel shall be deemed to have occurred:

- 6.4.1 in the case of an actual total loss of a Vessel, on the actual date and at the time that Vessel was lost or, if such date is not known, on the date on which that Vessel was last reported;
- 6.4.2 in the case of a constructive total loss of a Vessel, upon the date and at the time notice of abandonment of that Vessel is given to the then insurers of that Vessel;
- 6.4.3 in the case of a compromised or arranged total loss of a Vessel, on the date upon which the then insurers of the Vessel agree to treat that Vessel as a compromised or arranged total loss;
- 6.4.4 in the case of Compulsory Acquisition, on the date upon which the relevant requisition of title or other compulsory acquisition occurs; and
- 6.4.5 in the case of any requisition for title or other compulsory acquisition of that Vessel including, if that Vessel is not released therefrom within the Relevant Period, capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation howsoever for any reason (but excluding requisition for use or hire) by or on behalf of any Government Entity or other competent authority or by pirates, hijackers, terrorists or similar persons; "**Relevant Period**" means either (i) ninety (90) days or, (ii) in respect of pirates, hijackers, terrorists or similar persons, if relevant underwriters confirm in writing (in terms satisfactory to the Lenders) prior to the end of such ninety (90) day period that such capture, appropriation, forfeiture, seizure, detention, deprivation or confiscation will be covered by the relevant Owner's war risks insurance, the shorter of six (6) months after the date upon which the relevant incident occurred and such period at the end of which cover is confirmed to attach.

6.5 **Mandatory prepayment on sale of the Vessel**

On the date of completion of the sale of the Vessel, which sale shall always be subject to the prior written consent of the Lender pursuant to Clause 10.3.3 (*Disposals*), the Borrowers and/or the Corporate Guarantor must prepay the Loan by an amount equal to the higher of:

- 6.5.1 an amount equal to the product of (i) the amount of the Loan outstanding immediately prior to completion of such sale multiplied by (ii) the Fraction;
- 6.5.2 an amount (if any) which after the application of the prepayment to be made pursuant to this Clause 6.5 results in the Security Value being equal to the Required Security Amount; and
- 6.5.3 an amount (if any) which after the application of the prepayment to be made pursuant to this Clause 6.5 results in the Security Value expressed as a percentage of the Loan being equal to the respective percentage which applied immediately prior to the completion of such sale.

Any surplus following such prepayment and the payment of any additional amounts payable pursuant to Clause 6.5 shall be paid to the relevant Borrower, subject to no Event of Default having occurred at the relevant time.

6.6 **Amounts payable on prepayment**

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

- (a) accrued interest on the amount to be prepaid to the date of such prepayment;
- (b) any additional amount payable under Clauses 5.4 (*Market Disruption*), 8.6 (*Grossing-up for Taxes – by the Borrowers*) or 14.2 (*Increased costs*); and
- (c) all other sums payable by the Borrowers to the Lender under this Agreement or any of the other Security Documents including, without limitation any Break Costs.

6.7 **Notice of prepayment; reduction of Repayment Instalments**

- 6.7.1 Every notice of prepayment shall be effective only on actual receipt by the Lender, shall be irrevocable, shall specify the amount to be prepaid and shall oblige the Borrowers to make such prepayment on the date specified.
- 6.7.2 Any amount prepaid pursuant to Clause 6.2 (*Voluntary prepayment*) shall be applied pro rata against the remaining Repayment Instalments (including the Balloon Instalment) specified in Clause 6.1 (*Repayment*).
- 6.7.3 The Borrowers may not prepay, repay or cancel the Loan or any part thereof except as expressly provided in this Agreement.
- 6.7.4 No amount repaid, prepaid or cancelled may be re-borrowed.

7. FEES AND EXPENSES

7.1 Arrangement fee

The Borrowers agree to pay to the Lender on the Drawdown Date of each Advance a non-refundable arrangement fee in an amount equal to 0.50 per cent. of the amount borrowed under that Advance.

7.2 Expenses

The Borrowers agree, and shall procure that the Corporate Guarantor agrees, to reimburse the Lender on a full indemnity basis on demand all expenses and/or disbursements whatsoever (including without limitation legal, printing, travel and out of pocket expenses) certified by the Lender as having been incurred by them from time to time:

7.2.1 in connection with the negotiation, preparation, execution and, where relevant, registration of the Security Documents and of any contemplated or actual amendment, or indulgence or the granting of any waiver or consent howsoever in connection with, any of the Security Documents (including legal fees and any travel expenses);

7.2.2 in contemplation or furtherance of, or otherwise howsoever in connection with, the exercise or enforcement of, or preservation of any rights, powers, remedies or discretions under any of the Security Documents, or in consideration of the Lender's rights thereunder or any action proposed or taken following the occurrence of a Default or otherwise in respect of the moneys owing under any of the Security Documents;

7.2.3 in connection with obtaining any valuations, survey or inspection reports or other consultants reports which the Lender may be entitled to obtain under this Agreement and the Security Documents; and

7.2.4 in connection with obtaining a written report from a maritime insurance consultant or broker acceptable to the Lender in relation to the Insurances of the Vessel (which the Lender may obtain at least once a year, and at any time when there has been a change of insurer or terms of cover for the Vessel),

each in the currency in which they are incurred (and the Borrowers acknowledge and agree that the Lender shall pay any such amounts in the currency in which they are incurred),

in each case together with interest at the Expenses Interest Rate from the date on which reimbursement of such expenses and/or disbursements were due following demand to the date of payment (as well after as before judgment).

7.3 Value added tax

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

7.4 **Stamp and other duties**

The Borrowers must pay all stamp, documentary, registration or other like duties or taxes (including any duties or taxes payable by the Lender) imposed on or in connection with any of the Underlying Documents, the Security Documents or the Loan and agree to indemnify the Lender against any liability arising by reason of any delay or omission by any Borrower to pay such duties or taxes.

7.5 **Reference rate transition costs**

The Security Parties shall on demand reimburse the Lender for the amount of all documented costs and expenses (including legal fees) reasonably incurred by the Lender in connection with:

7.5.1 the negotiation or entry into of any Reference Rate Supplement or Compounding Methodology Supplement; or

7.5.2 any amendment, waiver or consent relating to:

- (a) the transition to the Term Reference Rate;
- (b) any transition from the Term Reference Rate back to the Compounded Reference Rate;
- (c) any Reference Rate Supplement or Compounding Methodology Supplement; or
- (d) any change arising as a result of an amendment required under Clause 17.1 (*Changes to reference rates*).

8. PAYMENTS AND TAXES; ACCOUNTS AND CALCULATIONS

8.1 **No set-off or counterclaim**

The Borrowers shall (and shall procure that any other Security Party shall) make all payments under any of the Security Documents in full, without any set off or counterclaim whatsoever and, subject as provided in clause 8.6 (*Grossing-up for taxes – by the Borrowers*), free and clear of any deductions or withholdings, in USD on or before 11:00 am (Athens time) on the due date in freely available funds to such account at the Lender and in such place as the Lender may from time to time specify for this purpose.

8.2 **Payment by the Lender**

All sums to be advanced by the Lender to the Borrowers under this Agreement shall be remitted in USD on the relevant Drawdown Date to the account specified in the relevant Drawdown Notice.

8.3 Non-Business Days

When any payment under any of the Security Documents would otherwise be due on a day which is not a Business Day, the due date for payment shall be extended to the next following Business Day unless the Business Day falls in the next calendar month in which case payment shall be made on the immediately preceding Business Day.

8.4 Calculations

8.4.1 All interest and other payments of an annual nature under any of the Security Documents shall accrue from day to day and be calculated on the basis of actual days elapsed and a three hundred and sixty (360) day year or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

8.4.2 In relation to any Compounded Rate Loan, 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.

8.5 Currency of account

If any sum due from any Borrower or any Security Party under any of the Security Documents, or under any order or judgment given or made in relation thereto, must be converted from the currency (“the first currency”) in which the same is payable thereunder into another currency (“the second currency”) for the purpose of (i) making or filing a claim or proof against any Borrower or any Security Party, (ii) obtaining an order or judgment in any court or other tribunal or (iii) enforcing any order or judgment given or made in relation thereto, each Borrower undertakes to indemnify and hold harmless the Lender from and against any loss suffered as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (b) the rate or rates of exchange available to the Lender to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. Any amount due from any Borrower under this Clause 8.5 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of any of the Security Documents and the term “rate of exchange” includes any premium and costs of exchange payable in connection with the purchase of the first currency with the second currency.

8.6 Grossing-up for Taxes—by the Borrowers

If at any time any Borrower or any Security Party must make any deduction or withholding in respect of Taxes or otherwise from any payment due under any of the Security Documents for the account of the Lender or withholding in respect of Taxes from any payment due under any of the Security Documents, the sum due from any Borrower or any Security Party in respect of such payment must be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives on the due date for such payment (and retains, free from any liability in respect of such deduction or withholding), a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and each Borrower must indemnify the Lender against any losses or costs incurred by it by reason of any failure of any Borrower to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. Each Borrower must promptly deliver to the Lender any receipts, certificates or other proof evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

8.7 **Claw back of Tax benefit**

If, following any such deduction or withholding as is referred to in Clause 8.6 (*Grossing-up for Taxes – by the Borrowers*) from any payment by any Borrower or any other Security Party, the Lender shall receive or be granted a credit against or remission for any Taxes payable by it, the Lender shall, and to the extent that it can do so without prejudicing the retention of the amount of such credit or remission and without prejudice to the right of the Lender to obtain any other relief or allowance which may be available to it, reimburse any Borrower or any other Security Party with such amount as Lender shall in its absolute discretion certify to be the proportion of such credit or remission as will leave the Lender (after such reimbursement) in no worse position than it would have been in had there been no such deduction or withholding from the payment by any Borrower or any Security Party as aforesaid. Such reimbursement shall be made forthwith upon the Lender certifying that the amount of such credit or remission has been received by it. Nothing contained in this Agreement shall oblige the Lender to rearrange its tax affairs or to disclose any information regarding its tax affairs and computations. Without prejudice to the generality of the foregoing, any Borrower or any Security Party shall not, by virtue of this Clause 8.6, be entitled to enquire about the Lender's tax affairs.

8.8 **Loan account**

The Lender shall maintain, in accordance with its usual practice, an account evidencing the amounts from time to time lent by, owing to and paid to it under the Security Documents. The Lender shall maintain a control account showing the Loan and other sums owing by the Borrowers under the Security Documents and all payments in respect thereof being made from time to time. The control account shall, in the absence of manifest error, be prima facie evidence of the amount from time to time owing by the Borrowers under the Security Documents.

8.9 **Partial payments**

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

- 8.9.1 first, in or towards payment, in such order as the Lender may decide, of any unpaid costs and expenses of the Lender under any of the Security Documents;
- 8.9.2 secondly, in or towards payment of any fees payable to the Lender under, or in relation to, the Security Documents which remain unpaid;

- 8.9.3 thirdly, in or towards payment to the Lender of any accrued default interest owing pursuant to Clause 4.7 (*Default Interest*) but remains unpaid;
- 8.9.4 fourthly, in or towards payment to the Lender of any accrued interest owing in respect of the Loan which shall have become due under any of the Security Documents but remains unpaid;
- 8.9.5 fifthly, in or towards payment to the Lender of any due but unpaid Repayment Instalments; and
- 8.9.6 sixthly, in or towards payment to the Lender of any other sum relating to the Loan or which is payable under this Agreement which shall have become due under any of the Security Documents but remains unpaid.

The order of application set out in Clauses 8.9.1 to 8.9.6 may be varied by the Lender without any reference to, or consent or approval from, any Borrower or any Security Party.

9. REPRESENTATIONS AND WARRANTIES

9.1 Continuing representations and warranties

Each Borrower represents and warrants to the Lender that:

9.1.1 Due incorporation

each of the corporate Security Parties is duly incorporated or, as the case may be, formed, validly existing and in good standing under the laws of its respective country of incorporation, in each case, as a corporation and has power to carry on its respective businesses as it is now being conducted and to own its respective property and other assets, to which it has unencumbered legal and beneficial title except as disclosed to the Lender, and the shares of each Borrower have been issued in registered form;

9.1.2 Corporate power

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

9.1.3 Binding obligations

the Underlying Documents and the Security Documents, when executed, will constitute valid and legally binding obligations of the relevant Security Parties enforceable in accordance with their respective terms;

9.1.4 No conflict with other obligations

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

9.1.5 No default

no Event of Default has occurred or, on the date of this Agreement, is likely to occur;

9.1.6 No litigation or judgments

no Proceedings are current, pending or threatened against any of the Security Parties or any other Group Members or their assets and there exist no judgments, orders, injunctions which could have a Material Adverse Effect on the obligations of the Security Parties under the Security Documents;

9.1.7 No filings required

except for the registration of the Mortgage in the relevant register under the laws of the Flag State through the Registry, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of any of the Underlying Documents or any of the Security Documents that they or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere in any Pertinent Jurisdiction or that any stamp, registration or similar tax or charge be paid in any Pertinent Jurisdiction on or in relation to any of the Underlying Documents or the Security Documents and each of the Underlying Documents and the Security Documents is in proper form for its enforcement in the courts of each Pertinent Jurisdiction;

9.1.8 Required Authorisations and legal compliance

all Required Authorisations have been obtained or effected or waived by the person requiring the same and, to the extent no such waiver exists, are in full force and effect and no Security Party has in any way contravened any applicable law, statute, rule or regulation (including all such as relate to Money Laundering);

9.1.9 Choice of law

the choice of English law to govern the Underlying Documents and the Security Documents (other than each Mortgage and the Retention Account Pledge), the choice of the law of the Flag State to govern each Mortgage, the choice of Greek law to govern the Retention Account Pledge and the submissions by the Security Parties to the jurisdiction of the English courts and the obligations of such Security Parties associated therewith, are valid and binding;

- 9.1.10 No immunity
no Security Party nor any of their assets is entitled to immunity on the grounds of sovereignty or otherwise from any Proceedings whatsoever;
- 9.1.11 Financial statements correct and complete
the latest audited and unaudited consolidated financial statements of the Corporate Guarantor in respect of the relevant financial year as delivered to the Lender present or will present fairly and accurately the consolidated financial position of the Corporate Guarantor as at the date thereof and the results of the operations of the Corporate Guarantor and, as at such date, the Corporate Guarantor do not have any significant liabilities (contingent or otherwise) or any unrealised or anticipated losses which are not disclosed by, or reserved against or provided for in, such financial statements;
- 9.1.12 Pari passu
the obligations of each Borrower under this Agreement and the obligations of the Corporate Guarantor under the Corporate Guarantee are direct, general and unconditional obligations of the relevant Borrower and the Corporate Guarantors respectively and rank at least pari passu with all other present and future Indebtedness of the relevant Borrower and the Corporate Guarantor except for obligations which are mandatorily preferred by operation of law and not by contract;
- 9.1.13 Information
all information, whatsoever provided by any Security Party (other than any Manager) to the Lender in connection with the negotiation and preparation of the Security Documents or otherwise provided hereafter in relation to, or pursuant to this Agreement is, or will be, true and accurate in all material respects and not misleading, does or will not omit material facts and all reasonable enquiries have been, or shall have been, made to verify the facts and statements contained therein; there are, or will be, no other facts the omission of which would make any fact or statement therein misleading;
- 9.1.14 No withholding Taxes
no Taxes anywhere are imposed whatsoever by withholding or otherwise on any payment to be made by any Security Party (other than any Manager) under the Underlying Documents or the Security Documents to which such Security Party is or is to be a party or are imposed on or by virtue of the execution or delivery by the Security Parties of the Underlying Documents or the Security Documents or any other document or instrument to be executed or delivered under any of the Security Documents;
- 9.1.15 No Default under Underlying Documents
except as disclosed in writing by the Borrowers to the Lender, there is no Default under any of the Underlying Documents;
- 9.1.16 Use of proceeds
the Borrowers shall apply the Loan only for the purposes specified in Clause 2.1 (*Agreement to lend*);

- 9.1.17 Copies true and complete
the Certified Copies of the Underlying Documents delivered or to be delivered to the Lender pursuant to Clause 11.1 (*Availability of Loan*) are, or will when delivered be, true and complete copies or, as the case may be, originals of such documents; and such documents constitute valid and binding obligations of the parties thereto enforceable in accordance with their respective terms and there have been no amendments or variations thereof or defaults thereunder;
- 9.1.18 No Indebtedness
no Borrower has incurred any Borrowed Moneys save as envisaged by this Agreement or as otherwise disclosed in the Corporate Guarantor's public filings;
- 9.1.19 Tax returns
each Borrower and the Corporate Guarantor have filed all tax and other fiscal returns required to be filed by any tax authority to which they are subject or have obtained required extensions and no claims or investigations are being, or are likely to be, made or conducted against any of the Security Parties (other than any Manager) or any other member of the Group with respect to Taxes;
- 9.1.20 Freedom from Encumbrances
neither any Vessel nor its Earnings, Insurances or Requisition Compensation, nor any Earnings Account, the Retention Account or any Extended Employment Contract in respect of any Vessel nor any other properties or rights which are, or are to be, the subject of any of the Security Documents nor any part thereof will be subject to any Encumbrance except Permitted Encumbrances;
- 9.1.21 Environmental Matters
except as may already have been disclosed by the Borrowers in writing to the Lender:
- (a) each Borrower and the other Group Members and, to the best of the Borrowers' knowledge and belief (having made due and careful enquiry), their respective Environmental Affiliates have complied with the provisions of all Environmental Laws;
 - (b) each Borrower and the other Group Members and, to the best of the Borrowers' knowledge and belief (having made due and careful enquiry), their respective Environmental Affiliates have obtained all Environmental Approvals and are in compliance with all such Environmental Approvals;
 - (c) no Environmental Claim has been made or threatened or pending against any of the Borrower, any other Group Member or, to the best of the Borrowers' knowledge and belief (having made due and careful enquiry), any of their respective Environmental Affiliates; and
 - (d) there has been no Environmental Incident;

9.1.22 ISM and ISPS Code

each Borrower has complied with and continues to comply with and has procured that any Manager of the Vessel owned by that Borrower has complied with and continues to comply with the ISM Code, the ISPS Code and all other statutory and other requirements relative to their business and in particular it or any Manager has obtained and maintains a valid DOC, IAPP Certificate, EIAPP Certificate (if applicable) and SMC for the Vessel owned by that Borrower and all other certificates required for the operation of such Vessel and that it and any Manager of such Vessel has implemented and continues to implement an ISM SMS;

9.1.23 Accounting reference date

each Borrower's accounting reference date is 31 December.

9.1.24 Office

neither any Borrower nor the Corporate Guarantor has an office in England or the United States of America;

9.1.25 Prohibited Parties, unlawful activity

- (a) none of the shares in any Borrower, any Security Party or any Vessel are or will be at any time during the Facility Period legally or beneficially owned or controlled by a Prohibited Party;
- (b) no Prohibited Party has or will have at any time during the Facility Period any legal or beneficial interest of any nature whatsoever in any of the shares of any of the Security Parties;

9.1.26 Sanctions

- (a) each Borrower shall procure that no Security Party or any other member of the Group or Affiliate of any of them:
 - (i) is a Prohibited Party; or
 - (ii) is owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Party; or
 - (iii) owns or controls a Prohibited Party; or
 - (iv) has a Prohibited Party serving as a director, officer or, to the best of its knowledge, employee; or
 - (v) is domiciled or is incorporated in any of the restricted, embargoed or sanctioned countries according to applicable Sanctions (as more specifically set out in the most recent applicable laws and regulations in respect of Sanctions);

- (b) each Borrower shall procure that 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 Party nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions;
- (c) each Borrower shall procure that each Security Party, each other member of the Group and each Affiliate of any of them is in compliance with all Sanctions as applicable;
- (d) each Borrower shall procure that each Security Party shall procure that no proceeds, funds or benefit from any activity or dealing with a Prohibited Party are used in discharging any obligation due or owing to the Lender or are credited to any bank account held with the Lender (including without limitation, the Earnings Account and the Retention Account), and that no payment is effected, whether to discharge any obligation due or owing to such party or for any other purpose, through the use of any bank account held with the Lender; and
- (e) each Borrower shall (and shall procure that each Security Party, each other member of the Group and each Affiliate of them will) to the extent permitted by law and promptly upon becoming aware of them, supply to the Lender details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority;

9.1.27 Material Adverse Effect

there has occurred nothing since 30 May 2023 which has had, or could have, a Material Adverse Effect; and

9.1.28 Insolvency etc

no bankruptcy, insolvency, administration or similar proceedings have been commenced or threatened to commence against any Security Party (other than any Manager) with a view to winding up that Security Party;

9.1.29 Anti-bribery

none of the improper or illegal acts referred to in Clause 10.1.25 (*Anti-bribery*) have occurred;

9.1.30 Legal compliance

no Security Party has in any way contravened any applicable law, statute, rule or regulation (including, but not limited to, the Foreign Corrupt Practices Act of 1977 of the USA and all such as relate to Money Laundering, terrorism and/or bribery);

9.1.31 Money laundering

in relation to the borrowing by the Borrowers of the Loan, the performance and discharge of their respective obligations and liabilities under this Agreement or any of the Security Documents and the transactions and other arrangements effected or contemplated by this Agreement or any of the Security Documents to which each Borrower is a party, each Borrower is acting for its own account and that the foregoing will not involve or lead to a contravention of any law, official requirement or other regulatory measure or procedure which has been implemented to combat Money Laundering;

9.1.32 FATCA

none of the Security Parties is a FATCA FFI or a US Tax Obligor; and

9.2 **Repetition of representations and warranties**

On each day throughout the Facility Period, each Borrower shall be deemed to repeat the representations and warranties in Clause 9 updated mutatis mutandis as if made with reference to the facts and circumstances existing on such day and in Clause 9.1.11 as if made with reference to the Latest Account at any relevant time.

10. UNDERTAKINGS

10.1 **General**

Each Borrower undertakes with the Lender that, from the Execution Date until the end of the Facility Period, it will (and will procure that the Securities Parties will):

10.1.1 Notice of Event of Default and Proceedings

inform the Lender (a) promptly of any Event of Default and of any other circumstances or occurrence which might adversely affect the ability of any Security Party to perform its obligations under any of the Security Documents, details of all steps being taken to remedy such Event of Default and (b) as soon as the same is commenced or threatened, details of any Proceedings involving any Security Party which could have a Material Adverse Effect on that Security Party and/or the operation of any Vessel (including, but not limited to any Total Loss of any Vessel or the occurrence of any Environmental Incident) and will from time to time, if so requested by the Lender, confirm to the Lender in writing that, save as otherwise stated in such confirmation, no Event of Default has occurred and no such Proceedings have been commenced or threatened;

10.1.2 Authorisation

to the extent a waiver has not been obtained, obtain or cause to be obtained, maintain in full force and effect and comply fully with all Required Authorisations, provide the Lender with Certified Copies of the same and do, or cause to be done, all other acts and things which may from time to time be necessary or desirable under any applicable law (whether or not in the Pertinent Jurisdiction) for the continued due performance of all the obligations of the Security Parties (save for any Manager) under each of the Security Documents;

10.1.3 Corporate Existence

ensure that each Security Party maintains its corporate existence as a body corporate duly organised and validly existing and in good standing under the laws of the Pertinent Jurisdiction;

10.1.4 Use of proceeds

use the Loan exclusively for the purposes specified in Clauses 1.1 (*Purpose*) and 2.1 (*Agreement to lend*);

10.1.5 Pari passu

ensure that its obligations under this Agreement and the Corporate Guarantor's obligations under the Corporate Guarantee shall, without prejudice to the provisions of Clause 10.3 (*Negative undertakings relating to the Borrowers*), at all times rank at least pari passu with all its other present and future Indebtedness with the exception of any obligations which are mandatorily preferred by law and not by contract;

10.1.6 Financial statements

shall ensure that the Corporate Guarantor will cause to be prepared:

- (a) as soon as possible, but in no event later than 180 days after the end of each of its financial years, annual audited consolidated financial statements of the Corporate Guarantor (commencing with the financial year ending 31 December 2023), for that financial year; and
- (b) as soon as possible, but in no event later than 90 days after the end of each of 6-month period in each of its financial years, the unaudited semi-annual management accounts of the Corporate Guarantor for that 6-month period (commencing with the financial period ending 30 June 2023), certified as to their correctness by a chief financial officer of the Corporate Guarantor;

10.1.7 Compliance Certificates

deliver to the Lender on the date on which the audited and unaudited consolidated accounts are delivered under Clause 10.1.6 (*Financial Statements*) a Compliance Certificate together with such supporting information as the Lender may require;

10.1.8 Financial Covenants

procure that the Guarantor ensures that:

- (a) at no time shall the Liquidity of the Group be less than \$500,000 multiplied by the number of vessels owned by any member of the Group;
- (b) the Net Debt divided by the Total Assets (adjusted for market values of vessels owned) less cash (which shall have the meaning given thereto under US GAAP meaning both restricted and freely available cash) shall be at all times less than 75%;
- (c) the ratio of EBITDA to Interest Expense shall at all times be at least 2 to 1; and
- (d) the Net Worth shall at all times be equal to or more than USD135,000,000,

such covenants to be calculated based on the Latest Accounts of the Corporate Guarantor delivered under Clause 10.1.6 (*Financial Statements*) (and to be tested for the first time on the basis of the audited consolidated financial statements of the Corporate Guarantor for the financial year ending on 31 December 2023) and be included in the Compliance Certificate provided under Clause 10.1.7 (*Compliance Certificates*);

10.1.9 Payment of MII and MAPI Policy premiums

pay, and procure that the Corporate Guarantor pays, on the Lender's written demand, the amount of the premium for the inception or, as the case may be, extension and/or continuance of the MII and MAPI Policy (including any insurance tax thereon) and the Borrower hereby irrevocably authorises and instructs the Lender to pay such amount from any Earnings Account and/or the Retention Account to the relevant insurers in the event that the Borrowers and the Corporate Guarantor do not do so;

10.1.10 Provision of further information

provide the Lender, and procure that the Corporate Guarantor (including their subsidiaries), shall provide to the Lender, on the Lender's request (i) details of all major financial developments affecting the Group and/or any member thereof, including (but not limited to) the sale or purchase of any ship and the borrowing or incurring of any Borrowed Money and (ii) such financial or other information (including, but not limited to, financial standing, Indebtedness, balance sheet, off-balance sheet commitments, repayment schedules, operating expenses, charter arrangements of all the ships (whether on the water or under construction) operating under the management of any Manager) concerning any Borrower, the Corporate Guarantor (including its subsidiaries), the Group and their respective affairs, activities, financial standing, Indebtedness and operations and the performance of any Vessel, including, but not limited to, copies of all certificates required for the trading and operation of any Vessel;

10.1.11 Obligations under Security Documents, etc.

duly and punctually perform each of the obligations expressed to be imposed or assumed by them under the Security Documents and any Extended Employment Contract and will procure that each of the other Security Parties (other than any Manager) will, duly and punctually perform each of the obligations expressed to be assumed by it under the Security Documents and any Extended Employment Contract to which it is a party;

10.1.12 Compliance with ISM Code

and will procure that any Operator will, comply with and ensure that each Vessel and any Operator complies with the requirements of the ISM Code, including (but not limited to) the maintenance and renewal of valid certificates pursuant thereto throughout the Facility Period (as defined in the relevant Ship Security Documents);

10.1.13 Withdrawal of DOC and SMC

immediately inform the Lender if there is any actual withdrawal of its, any Manager's or any other Operator's DOC, IAPP Certificate, EIAPP Certificate or the SMC of any Vessel;

10.1.14 Issuance of DOC and SMC

and will procure that any Manager and any other Operator will promptly inform the Lender of the receipt by any Borrower, any Manager or such other Operator of notification that its application for a DOC or any application for an SMC or IAPP Certificate or EIAPP Certificate for any Vessel has been refused;

10.1.15 ISPS Code Compliance

and will procure that any Manager or any Operator will:

- (a) maintain at all times a valid and current ISSC in respect of each Vessel and all other certificates required for the trading and operation of each Vessel;
- (b) immediately notify the Lender in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC in respect of each Vessel;
- (c) procure that each Vessel will comply at all times with the ISPS Code;

10.1.16 Compliance with Laws and payment of taxes

- (a) comply with all relevant Environmental Laws, laws, statutes, applicable conventions and regulations and pay all taxes for which it is liable as they fall due; and
- (b) comply in all respects with, and will procure that each Security Party and each other Group Member and any affiliate of any of them will comply in all respects with, (i) all Sanctions and (ii) the Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V) and any other enabling legislation or executive order thereto);

10.1.17 Inspection

upon receipt of at least 15 days written notice (unless there is an Event of Default where no notice shall be required), ensure that the Lender, by independent marine surveyors or other persons appointed by it for such purpose, may board any Vessel at all reasonable times (which the Lender, subject to no Event of Default continuing at the relevant time, shall use reasonable endeavours to ensure does not adversely affect the operation of such Vessel) for the purpose of inspecting her and to afford all proper facilities for such inspections and for this purpose shall give the Lender reasonable advance notice of any intended drydocking of any Vessel (whether for the purpose of classification, survey or otherwise) and the Borrowers shall pay the costs in respect of (i) one inspection in each calendar year in respect of each Vessel and (ii) all such inspections following the occurrence of an Event of Default which is continuing and the relevant Borrower shall effect all repairs which the Lender may reasonably request as a result of such inspection;

10.1.18 The Vessels

ensure that each Vessel will at all times after her delivery be:

- (a) in the absolute sole, legal and beneficial ownership of the relevant Borrower and not held on trust for any third party;

- (b) registered through the offices of the relevant Registry as a ship under the laws and flag of the relevant Flag State;
- (c) in compliance with the ISM Code and the ISPS Code and operationally seaworthy and in every way fit for service;
- (d) in good and sea-worthy and cargo-worthy condition;
- (e) classed with the Classification free of all overdue recommendations and conditions of the Classification Society affecting the Classification and the relevant Borrower shall upon the Lender's request provide to the Lender up to date classification certificate in respect of the relevant Vessel duly issued by the Classification Society;
- (f) insured in accordance with the Ship Security Documents; and
- (g) managed by a Manager in accordance with the terms of the relevant Management Agreement;

10.1.19 Charters

deliver to the Lender, a Certified Copy of each Extended Employment Contract upon its execution, forthwith on the Lender's request execute (a) a Charter Assignment in respect thereof and of any guarantee thereof and (b) any notices of assignment required in connection therewith and use commercially reasonable endeavours to procure the acknowledgement of any such notice of assignment by the relevant charterer and of any charter guarantor (save that in circumstances where such acknowledgement is not obtained, this shall not constitute an Event of Default provided that the relevant Borrower shall ensure that evidence of service of the notice of assignment to the relevant charterer and any charter guarantor is provided to the Lender) and (c) (if any Vessel is subject to a bareboat charter) procure execution by the relevant Borrower and the charterer of a Tripartite Deed, together with all notices required to be determined thereunder and will provide evidence acceptable to the Lender that such notice has been given to the relevant charterer and to any charter guarantor and the relevant Borrower shall pay all legal and other costs incurred by the Lender in connection with any such Charter Assignment and Tripartite Deed, forthwith following the Lender's demand;

10.1.20 Chartering

not without the prior written consent of the Lender and, if such consent is given, only subject to such conditions as the Lender may impose, to let any Vessel:

- (a) on demise charter for any period; or
- (b) by any time or consecutive voyage charter for a term which equals or exceeds or which by virtue of any optional extensions therein contained might equal or exceed twelve (12) months' duration; or
- (c) on terms whereby more than two (2) months' hire (or the equivalent) is payable in advance; or
- (d) below a fair and reasonable arms-length rate, and otherwise on terms less advantageous than terms, obtainable at the time when the relevant Vessel is fixed;

10.1.21 Sanctions

- (a) not be, and shall procure that no Security Party or any other member of the Group or Affiliate of any of them shall be:
 - (i) a Prohibited Party;
 - (ii) owned or controlled by or acting directly or indirectly on behalf of or for the benefit of, a Prohibited Party;
 - (iii) owning or controlling a Prohibited Party;
 - (iv) having a Prohibited Party serving as a director, officer or, to the best of its knowledge, employee; or
 - (v) domiciled or incorporated in any of embargoed or sanctioned countries according to applicable Sanctions (as more specifically set out in the most recent applicable laws and regulations in respect of Sanctions);
- (b) procure that 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 Party nor shall they be otherwise directly or indirectly, applied in a manner or for a purpose prohibited by Sanctions;
- (c) procure that each Security Party, each other member of the Group and each Affiliate of any of them is in compliance with all Sanctions as applicable;
- (d) procure that each Security Party shall procure that no proceeds, funds or benefit from any activity or dealing with a Prohibited Party are used in discharging any obligation due or owing to the Lender or are credited to any bank account held with the Lender (including without limitation, any Earnings Account and the Retention Account), and that no payment is effected, whether to discharge any obligation due or owing to such party or for any other purpose, through the use of any bank account held with the Lender; and
- (e) procure, (and shall procure that each Security Party, each other member of the Group and each Affiliate of them will) to the extent permitted by law and promptly upon becoming aware of them, supply to the Lender details of any claim, action, suit, proceedings or investigation against it with respect to Sanctions by any Sanctions Authority.

10.1.22 Minimum Liquidity

procure and shall ensure that the Corporate Guarantor shall procure, that at all times during the Facility Period, it shall maintain in an account or accounts with the Lender cash which is (other than the Retention Account Pledge) free of any Encumbrance in an aggregate amount of not less than USD400,000 in respect of each Mortgaged Vessel (in aggregate USD4,000,000 as at the date of this Agreement);

10.1.23 Subordination

ensure that all Borrowed Money of each Borrower is fully subordinated to the Loan, and to subordinate to the Loan any Borrowed Money issued to such Borrower by the Corporate Guarantor, all in a form acceptable to the Lender;

10.1.24 Money Laundering

- (a) not, and will procure that no Security Party, to the extent applicable, will, in connection with this Agreement or any of the other Security Documents, contravene or permit any subsidiary to contravene, any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering and comparable United States Federal and state laws and the Borrower shall further submit any documents and declarations on request, if such documents or declarations are required by the Lender to comply with its domestic money laundering and/or legal identification requirements;
- (b) provide the Lender with information, certificates and any documents or declarations on request, if such documents or declarations are required by the Lender to ensure compliance with any applicable law, official requirement or other regulatory measure or procedure or other legal identifications requirements implemented to combat Money Laundering; and
- (c) notify the Lender as soon as it becomes aware of any matters evidencing that a breach of any law, official requirement or other regulatory measure or procedure implemented to combat Money Laundering may or is about to occur or that the person(s) who have or will receive the commercial benefit of this Agreement have changed after the date of this Agreement;

10.1.25 Anti-bribery

- (a) ensure that it will not, and none of their respective affiliates, officers, directors, employees or agents acting on its behalf will, offer, give, insist on, receive or solicit any illegal payment or improper advantage to influence the action of any person in connection with any of its business;
- (b) ensure that it shall not (and shall procure that no other Security Party will) directly or indirectly use the proceeds of the Loan for any purpose which would breach or might breach applicable anti-bribery laws, including but not limited to the UK Bribery Act of 2010 and the United States Foreign Corrupt Practices Act of 1977, each as amended
- (c) ensure that it shall (and shall procure that each other Security Party will):
 - (i) conduct its business in compliance with applicable anti-bribery laws and regulations; and
 - (ii) maintain effective policies and procedures designed to promote and achieve compliance with such laws and regulations;

10.1.26 Know your Customer

will provide, and will procure that the Corporate Guarantor will provide, prior to the Execution Date and at any time during the Facility Period at the Lender's request, all information and documentation as the Lender may in its sole discretion require in order to satisfy its "Know Your Customer" procedures under applicable law;

10.1.27 FATCA Information

- (a) subject to paragraph (c) below, within 10 Business Days of a request by the Lender:
 - (i) confirm to the Lender whether it or any Security Party is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to the requesting party such forms, documentation and other information relating to its status, or the status of such Security Party, under FATCA as the Lender requests for the purposes of its compliance with FATCA;
- (b) if the Borrower confirms pursuant to Clause 10.1.28(a)(i) that it, or a Security Party, is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, shall notify the Lender promptly;
- (c) if the Borrower fails to confirm its status, or the status of a Security Party (other than any Manager), or to supply forms, documentation or other information requested in accordance with subclause (a) above, then such Security Party (other than any Manager) shall be treated for the purposes of the Security Documents (and payments under them) as if it is not a FATCA Exempt Party until (in each case) such time as the Borrower provides the requested confirmation, forms, documentation or other information;

10.1.28 FATCA Deduction

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

10.1.29 Information technology

maintain in good working order, and ensure that each Manager and the Corporate Guarantor maintain in good working order, all computer and information technology system to enable the smooth and efficient running of their respective businesses;

10.1.30 DAC6

supply to the Lender:

- (a) 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 Security Documents or any transaction carried out (or to be carried out) in connection with any transaction contemplated by the Security Documents contains a hallmark as set out in Annex IV of DAC6 and fulfils the requirement of DAC6 for reportable cross-border arrangements; and
- (b) 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).

In this Clause 10.1.30 (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.

Nothing in any Security 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 Security Documents or any transaction carried out in connection with any transaction contemplated by the Security Documents to become an arrangement described in Part II A 1 of Annex IV of Directive 2011/16/EU.

10.2 Security value maintenance

10.2.1 Security shortfall

If at any time throughout the Facility Period the Security Value shall be less than the Required Security Amount, the Lender shall give notice to the Borrowers requiring that such deficiency be remedied and then the Borrowers must within 30 days of receipt of the Lender’s said notice, either:

- (a) prepay, or procure that the Corporate Guarantor prepays, such part of the Loan as will result in the Security Value after such prepayment (taking into account any other repayment of the Loan made between the date of the notice and the date of such prepayment) being equal to or higher than the Required Security Amount; or

- (b) constitute, or procure that the Corporate Guarantor constitutes, to the satisfaction of the Lender such further security for the Loan as shall be acceptable to the Lender (in its absolute discretion) having a value for security purposes (as determined by the Lender in its absolute discretion) at the date upon which such further security shall be constituted which, when added to the Security Value, shall not be less than the Required Security Amount as at such date.

The provisions of Clauses 6.6 (*Amounts payable on prepayment*) and 6.7 (*Notice of prepayment; reduction of Repayment Instalments*) shall apply to prepayments under Clause 10.2.1(a) provided that the Lender shall apply such prepayments pro rata against the Loan and the amount of the Loan prepaid hereunder shall not be available to be re-borrowed.

10.2.2 Valuation of the Vessels

- (a) Each Vessel shall be valued (at the Borrowers' and/or the Corporate Guarantor's expense) in USD and:
- (i) for the purposes of determining the Initial Valuation Amount of each Vessel, by two Approved Brokers, each appointed by the Lender; and
 - (ii) for all other purposes under this Agreement, by one Approved Broker appointed by the Borrowers, where the Approved Broker shall be appointed by the Lender, and (ii) if required by the Lender at its absolute discretion, by a second Approved Broker appointed by the Lender, and any such Approved Broker reporting to, the Lender,

any such valuations to be made without physical inspection (unless a Vessel is found not be operationally seaworthy or any Vessel is arrested or laid-up, in which case physical inspection will be required), and on the basis of a sale for prompt delivery for cash at arms' length, on normal commercial terms, as between a willing buyer and a willing seller, without taking into account the benefit of any charterparty or other engagement concerning that Vessel), and the Valuation Amount of that Vessel shall be the amount of any such single valuation or, in the case of valuations obtained by two Approved Brokers, the arithmetic average of such two valuations PROVIDED that if such two valuations vary by more than 15% then the Lender shall appoint a third Approved Broker to provide a valuation and the Valuation Amount of that Vessel shall be the arithmetic average of such three valuations.

- (b) The Approved Brokers' valuation or valuations for each Vessel on each such occasion shall constitute the Valuation Amount of that Vessel for the purposes of this Agreement until superseded by the next such valuation.

10.2.3 Information

Each Borrower undertakes with the Lender to supply to the Lender and to the Approved Brokers such information concerning each Vessel and its condition as the Lender or such shipbrokers may require for the purpose of determining any Valuation Amount.

- 10.2.4 **Costs/frequency**
The Borrowers shall pay all costs in connection with any determination of any Valuation Amount (which the Lender may determine at any time, and at least once a year).
- 10.2.5 **Valuation of additional security**
For the purposes of this Clause 10.2 (*Security value maintenance*), the market value (i) of any additional security over a ship (other than a Vessel) shall be determined in accordance with Clause 10.2.2(a) and (ii) of any other additional security provided or to be provided to the Lender shall be determined by the Lender in its absolute discretion; provided however that in the case of additional security in the form of cash, the same will be valued on a Dollar for Dollar basis.
- 10.2.6 **Documents and evidence**
In connection with any additional security provided in accordance with this Clause 10.2 (*Security value maintenance*), the Lender shall be entitled to receive (at the Borrowers' expense) such evidence and documents of the kind referred to in Schedule 2 as may in the Lender's opinion be appropriate and such favourable legal opinions as the Lender shall in its absolute discretion require.
- 10.3 **Negative undertakings relating to the Borrowers**
Each Borrower undertakes with the Lender that, from the Execution Date until the end of the Facility Period, it will not, except with the prior written consent of the Lender:
- 10.3.1 **Negative pledge**
permit any Encumbrance (other than a Permitted Encumbrance) to subsist, arise or be created or extended over all or any part of their respective present or future undertakings, assets, rights or revenues or the shares of and in any Security Party (other than any Manager) to secure or prefer any present or future Indebtedness or other liability or obligation of any Group Member or any other person;
- 10.3.2 **No merger or transfer**
merge or consolidate with any other person or permit any change to the legal or beneficial ownership of its, or the Corporate Guarantor's or the Manager's shares, from that existing at the Execution Date which would (in the case of the Corporate Guarantor and the Manager) give rise to a Change of Control Event;
- 10.3.3 **Disposals**
sell, transfer, assign, create security or option over, pledge, pool, abandon, lend or otherwise dispose of or cease to exercise direct control over any part of their present or future undertaking, assets, rights or revenues whether by one or a series of transactions related or not, including, without limitation, the Vessel owned by it;
- 10.3.4 **Other business or manager**
undertake any business other than the ownership and operation of its Vessel or employ anyone other than a Manager as a commercial and/or technical manager of its Vessel;

- 10.3.5 Acquisitions
acquire any assets other than its Vessel and rights arising under contracts entered into by or on behalf of that Borrower in the ordinary course of its business of owning, operating and chartering its Vessel;
- 10.3.6 Other obligations
incur any obligations except for obligations arising under the Underlying Documents nor the Security Documents or contracts entered into in the ordinary course of business of owning, operating and chartering its Vessel;
- 10.3.7 No borrowing
incur any Borrowed Money except for Borrowed Money pursuant to the Security Documents or incurred in the ordinary course of business of owning, operating and chartering its Vessel;
- 10.3.8 Repayment of borrowings
repay or prepay the principal of, or pay interest on or any other sum in connection with any of their Borrowed Money except for Borrowed Money pursuant to the Security Documents;
- 10.3.9 Guarantees
issue any guarantees or otherwise become directly or contingently liable for the obligations of any person, firm, or corporation except pursuant to the Security Documents and except for guarantees from time to time required in the ordinary course by any protection and indemnity or war risks association with which the Vessel owned by it is entered, guarantees required to procure the release of the Vessel owned by it from any arrest, detention, attachment or levy or guarantees required for the salvage of that Vessel;
- 10.3.10 Sureties
permit any Indebtedness of any Borrower to any person (other than to the Lender pursuant to the Security Documents) to be guaranteed by any person (except for guarantees from time to time required in the ordinary course of business and/or by any protection and indemnity or war risks association with which the Vessel owned by it is entered, guarantees required to procure the release of that Vessel from any arrest, detention, attachment or levy or guarantees or undertakings required for the salvage of that Vessel); or
- 10.3.11 Flag, Class etc.
Permit:
- (a) any change in the name, port of registry or flag of the Vessel owned by it (unless such Vessel is to be registered through the offices of another Registry as a ship under the laws and flag of another Flag State);

- (b) any change of Classification or Classification Society in respect of the Vessel owned by it (unless such Vessel is to be classed with another Classification or another Classification Society);
- (c) any change of Manager in respect of the Vessel owned by it (other than as provided under Clause 12.1.28); or
- (d) any change in the name or country of incorporation of any Security Party (other than any Manager); or

and provided that for paragraphs (a) and (c) above, the Borrowers shall:

- (i) in case of a substitute Flag State, provide a Mortgage and a General Assignment (and any documents to be delivered thereunder) relevant to that Flag State in relation to that Vessel and documents equivalent to those referred to in Schedule 2, Part 1, paragraphs 1 and 2 and in Part 2, paragraphs (b)(i), (b)(iii), (d) and (e) and such other documents as the Lender may reasonably require as they relate to such appointment; and
- (ii) in case of a substitute Manager, procure that any such substitute Manager provides a Manager's Undertaking (and any documents to be delivered thereunder) in relation to that Vessel and documents equivalent to those referred to in Schedule 2, Part 1, paragraphs 1 and 2 and in Part 2, paragraphs (b)(iii), (b)(iv) and (k) and such other documents as the Lender may reasonably require as they relate to such appointment.

10.3.12 Lay-up

de-activate or lay up any Vessel; or

10.3.13 Place of business

own or operate and will procure that no Security Party (other than any Manager) shall own or operate a place of business situate in England or the United States of America; or

10.3.14 Share capital and distribution

if there has occurred an Event of Default or an Event of Default would result therefrom, declare or pay any dividends or make any other form of distribution;

10.3.15 Sharing of Earnings

permit there to be any agreement or arrangement whereby the Earnings may be shared or pooled howsoever with any other person, other than any pool agreement on bona fide arm's length terms;

10.3.16 Lawful use

- (a) permit the Vessel owned by it to be:
 - (i) used by or for the benefit of a Prohibited Party;
 - (ii) trading in a manner contrary to Sanctions (or which could be contrary to Sanctions, if Sanctions were binding on any Security Party);
 - (iii) trading in any manner which would trigger the operation of any Sanctions limitation or exclusion clause (or similar) in the Insurances;
 - (iv) employed in carrying illicit or prohibited goods;
 - (v) employed in a way which may make that Vessel liable to be condemned by a prize court or destroyed, seized or confiscated;
 - (vi) employed or permit her employment to enter, trade or continue to trade in any zone which is declared a war zone by any Government Entity or by such Vessel's war risks insurers unless the prior written consent of such Vessel's war risks insurers is obtained and such special insurance cover as such Vessel's war risks insurers may require shall have been effected by the relevant Owner at its expense; or
 - (vii) employed in carrying contraband goods,

and each Borrower shall:

- (A) procure that the persons responsible for the operation of the Vessel owned by it shall take all necessary and proper precautions to ensure that this clause is complied with, including participation in industry or other voluntary schemes available to that Vessel and in which leading operators of ships operating under the same flag or engaged in similar trades generally participate at the relevant time; and
- (B) not enter into any charterparty in respect of the Vessel owned by it unless (i) it contains, for the benefit of such Borrower, language which gives effect to the provisions of Clause 10.3.16(a)(i)-(vii) above and (ii) permits that Borrower to refuse employment or voyage orders if compliance would result in a breach of the terms of Clause 10.3.16(a)(i)-(vii) above; and

10.3.17 FATCA

become a FATCA FFI or a US Tax Obligor and shall procure that no Security Party (other than any Manager) shall do so.

11. CONDITIONS

11.1 Availability of the Loan

The obligation of the Lender to make available the Loan (or any part thereof) is conditional upon:

- 11.1.1 the Lender, or its authorised representative, having received, not later than two (2) Business Days before the day on which the relevant Drawdown Notice is given, the documents and evidence specified in Part 1 of Schedule 2 in form and substance satisfactory to the Lender; and
- 11.1.2 the representations and warranties contained in Clause 9 (*Representations and warranties*) being then true and correct as if each was made with respect to the facts and circumstances existing at such time and the same being unaffected by the drawdown of the Loan (or any part thereof); and
- 11.1.3 no Default having occurred and there being no Default which would result from the lending of the Loan (or any part thereof).

11.2 Advance of the Loan

The obligation of the Lender to make available any Advance is conditional upon the Lender, or its authorised representative, having received, on or prior to the relevant Drawdown Date, the documents and evidence specified in Part 2 of Schedule 2 as they relate to that Advance in form and substance satisfactory to the Lender.

11.3 Waiver of conditions precedent

The conditions specified in this Clause 11 (*Conditions*) are inserted solely for the benefit of the Lender and may be waived by the Lender in whole or in part and with or without conditions.

11.4 Further conditions precedent

Prior to the Drawdown Date the Lender may request and the Borrower must, prior to such date, deliver to the Lender (at the Borrower's expense), further favourable certificates and/or opinions as to any or all of the matters which are the subject of Clauses 9 (*Representations and warranties*), 10 (*Undertakings*), 11 (*Conditions*) and 12 (*Events of Default*).

12. EVENTS OF DEFAULT

12.1 Events

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

- 12.1.1 **Non-payment:** any Security Party fails to pay any sum payable by it under any of the Security Documents at the time, in the currency and in the manner stipulated in the Security Documents (and so that, for this purpose, sums payable (i) under Clauses 4.1 (*Calculation of interest – Term Rate Loans*) or 4.2 (*Calculation of interest—Compounded Rate Loans*) and 6.1 (*Repayment*) shall be treated as having been paid at the stipulated time if (aa) received by the Lender within three (3) Business Days of the dates therein referred to and (bb) such delay in receipt is caused by administrative delays or errors of the Lender and (ii) on demand shall be treated as having been paid at the stipulated time if paid within three (3) Business Days of demand); or
- 12.1.2 **Breach of Insurance and certain other obligations:** any Borrower or, as the context may require, any Manager or any other person fails to obtain and/or maintain the Insurances (as defined in, and in accordance with the requirements of, the Ship Security Documents) for each Vessel or if any insurer in respect of such Insurances cancels such Insurances or disclaims liability by reason, in either case, of mis-statement in any proposal for such Insurances or for any other failure or default on the part of any Borrower or any other person or any Borrower commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under Clause 10 (*Undertakings*); or
- 12.1.3 **Breach of other obligations:** any Security Party commits any breach of or omits to observe any of its obligations or undertakings expressed to be assumed by it under any of the Security Documents (other than those referred to in Clauses 12.1.1 and 12.1.2 above) unless such breach or omission is cured within fifteen (15) calendar days; or
- 12.1.4 **Misrepresentation:** any representation or warranty made or deemed to be made or repeated by or in respect of any Security Party (other than any Manager) in or pursuant to any of the Security Documents or in any notice, certificate or statement referred to in or delivered under any of the Security Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or
- 12.1.5 **Cross-default:** any Indebtedness of any Borrower or the Corporate Guarantor is not paid when due (subject to applicable grace periods) or any Indebtedness of any Borrower or the Corporate Guarantor becomes (whether by declaration or automatically in accordance with the relevant agreement or instrument constituting the same) due and payable prior to the date when it would otherwise have become due (unless as a result of the exercise by any Borrower or the Corporate Guarantor of a voluntary right of prepayment), or any creditor of any Borrower or the Corporate Guarantor becomes entitled to declare any such Indebtedness due and payable or any facility or commitment available to any Borrower or the Corporate Guarantor relating to Indebtedness is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned, or any guarantee given by any Borrower or the Corporate Guarantor in respect of Indebtedness is not honoured when due and called upon **provided that** no Event of Default will occur under this Clause 12.1.5 if the aggregate amount of Financial Indebtedness or commitment for Indebtedness falling within this paragraph is, at any relevant time, less than \$10,000,000 in aggregate in the case of the Corporate Guarantor (or, in each case, the equivalent in any other currency); or

- 12.1.6 **Execution:** any judgment or order made against any Security Party (other than any Manager) is not stayed, appealed against or complied with within thirty (30) days or a creditor attaches or takes possession of, or a distress, execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of any Security Party (other than any Manager) and is not discharged within thirty (30) days; or
- 12.1.7 **Insolvency:** any Security Party (other than any Manager) is unable or admits inability to pay its debts as they fall due; suspends making payments on any of its debts or announces an intention to do so; becomes insolvent; or suffers the declaration of a moratorium in respect of any of its Indebtedness; or
- 12.1.8 **Dissolution:** any corporate action, Proceedings or other steps are taken to dissolve or wind-up any Security Party (other than any Manager); or
- 12.1.9 **Administration:** any petition is presented, notice given or other steps are taken anywhere to appoint an administrator of any Security Party (other than any Manager) or an administration order is made in relation to any Security Party (other than any Manager); or
- 12.1.10 **Appointment of receivers and managers:** any administrative or other receiver is appointed anywhere of any Security Party (other than any Manager) or any part of its assets and/or undertaking or any other steps are taken to enforce any Encumbrance over all or any part of the assets of any Security Party (other than any Manager); or
- 12.1.11 **Compositions:** any corporate action, legal proceedings or other procedures or steps are taken or negotiations commenced, by any Security Party (other than any Manager) or by any of its creditors (other than the Corporate Guarantor) with a view to the general readjustment or rescheduling of all or a part of its Indebtedness or to proposing any kind of composition, compromise or arrangement involving such company and any of its creditors; or
- 12.1.12 **Analogous proceedings:** there occurs, in relation to any Security Party (other than any Manager), in any country or territory in which any of them carries on business or to the jurisdiction of whose courts any part of their assets is subject, any event which, in the reasonable opinion of the Lender, appears in that country or territory to correspond with, or have an effect equivalent or similar to, any of those mentioned in Clauses 12.1.6 to 12.1.11 (inclusive) or any Security Party (other than any Manager) otherwise becomes subject, in any such country or territory, to the operation of any law relating to insolvency, bankruptcy or liquidation; or
- 12.1.13 **Cessation of business:** any Security Party (other than any Manager) suspends or ceases or threatens to suspend or cease to carry on its business or a substantial part thereof (it being agreed that the sale of a Vessel by the relevant Owner shall not constitute an Event of Default, provided that such sale is always subject to the prior written consent of the Lender pursuant to Clause 10.3.3 (*Disposals*)); or
- 12.1.14 **Seizure:** all or a (in relation to Security Party other than a Borrower) material part of the undertaking, assets, rights or revenues of, or shares or other ownership interests in, any Security Party (other than any Manager) are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any Government Entity; or

- 12.1.15 **Invalidity:** any of the Security Documents shall at any time and for any reason become invalid or unenforceable or otherwise cease to remain in full force and effect, or if the validity or enforceability of any of the Security Documents shall at any time and for any reason be contested by any Security Party which is a party thereto, or if any such Security Party shall deny that it has any, or any further, liability thereunder; or
- 12.1.16 **Unlawfulness:** any Unlawfulness occurs or it becomes impossible or unlawful at any time for any Security Party (other than any Manager), to fulfil any of the covenants and obligations expressed to be assumed by it in any of the Security Documents or for the Lender to exercise the rights or any of them vested in it under any of the Security Documents or otherwise; or
- 12.1.17 **Repudiation:** any Security Party (other than any Manager) repudiates any of the Security Documents or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the Security Documents; or
- 12.1.18 **Encumbrances enforceable:** any Encumbrance (other than Permitted Encumbrances) in respect of any of the property (or part thereof) which is the subject of any of the Security Documents becomes enforceable; or
- 12.1.19 **Arrest:** any Vessel is arrested, confiscated, seized, taken in execution, impounded, forfeited, detained in exercise or purported exercise of any possessory lien or other claim or otherwise taken from the possession of any Borrower and such Borrower shall fail to procure the release of the Vessel owned by it within a period of ninety (90) days thereafter provided that this clause shall not include capture of a Vessel by pirates for up to 6 months (but shall apply if such capture exceeds 6 months) if relevant underwriters confirm in writing (in terms satisfactory to the Lender) prior to the end of such ninety (90) – day period of capture, that such capture will be covered by the relevant Borrower’s war risks insurance); or
- 12.1.20 **Registration:** the registration of any Vessel under the laws and flag of the relevant Flag State is cancelled or terminated without the prior written consent of the Lender; or
- 12.1.21 **Unrest:** the Flag State of any Vessel becomes involved in hostilities or civil war or there is a seizure of power in that Flag State by unconstitutional means (which hostilities or civil war or seizure of power would reasonably be expected to have a Material Adverse Effect) unless the Owner of the Vessel registered in such Flag State shall have transferred its Vessel onto a new flag acceptable to the Lender within forty five days (45) days of the start of such hostilities or civil war or seizure of power; or
- 12.1.22 **Environmental Incidents:** an Environmental Incident occurs which gives rise, or may give rise, to an Environmental Claim which could, in the opinion of the Lender be expected to have a Material Adverse Effect (i) on the financial condition of any Security Party (other than any Manager) or the Group taken as a whole or (ii) on the security constituted by any of the Security Documents or the enforceability of that security in accordance with its terms; or

- 12.1.23 **P&I:** any Borrower or any Manager or any other person fails or omits to comply with any requirements of the protection and indemnity association or other insurer with which any Vessel is entered for insurance or insured against protection and indemnity risks (including oil pollution risks) to the effect that any cover (including, without limitation, any cover in respect of liability for Environmental Claims arising in jurisdictions where the Vessel operates or trades) is or may be liable to cancellation, qualification or exclusion at any time; or
- 12.1.24 **Material Adverse Effect:** any event occurs or circumstance arises which, in the opinion of the Lender, has a Material Adverse Effect; or
- 12.1.25 **Account:** moneys are withdrawn from any Earnings Account other than in accordance with Clause 16 (*Accounts and Retention*); or
- 12.1.26 **Required Authorisations:** to the extent it has not been waived, any Required Authorisation is revoked or withheld or modified (the effect of which would be to have a Material Adverse Effect) or is otherwise not granted or fails to remain in full force and effect; or
- 12.1.27 **Money Laundering:** a Security Party fails to comply with Clauses 9.1.30 (*Legal compliance*), 9.1.31 (*Money Laundering*) or 10.1.24 (*Money Laundering*) of this Agreement; or
- 12.1.28 **Management Agreement:** there is a change of Manager in relation to any Vessel except (i) with the prior consent of the Lender or (ii) in circumstances where another Manager is appointed and the Borrowers shall procure that any such substitute Manager provides a Manager's Undertaking (and any documents to be delivered thereunder) in relation to that Vessel and documents equivalent to those referred to in Schedule 2, Part 1, paragraphs 1 and 2 and in Part 2, paragraphs (b)(iii), (b)(iv) and (k) and such other documents as the Lender may reasonably require as they relate to such appointment; or
- 12.1.29 **Sanctions:** a Security Party fails to comply with Clauses 9.1.25 (*Prohibited Parties, unlawful activity*), 9.1.26 (*Sanctions*), 10.1.21 (*Sanctions*) or 10.3.16 (*Lawful use*) of this Agreement;
- 12.1.30 **Anti-bribery.** Any Security Party is in breach of or fails to comply with Clauses 9.1.29 (*Anti-bribery*), 10.1.16 (*Compliance with Laws and payment of taxes*), 10.1.25 (*Anti-bribery*) or 10.1.26 (*Know your Customer*) of this Agreement.
- 12.1.31 **Change of Control.** Any Change of Control Event occurs.
- 12.2 **Acceleration**
- The Lender may at any time after the occurrence of an Event of Default which is continuing by notice to the Borrowers declare that:
- 12.2.1 the obligation of the Lender to make its Commitment available shall be terminated, whereupon the Commitment shall be reduced to zero forthwith; and/or

12.2.2 the Loan and all interest accrued and all other sums payable whatsoever under the Security Documents have become due and payable, whereupon the same shall, immediately or in accordance with the terms of such notice, become due and payable.

12.3 **Demand Basis**

If, under Clause 12.2.2, the Lender has declared the Loan to be due and payable on demand, at any time thereafter the Lender shall by written notice to the Borrowers (a) demand repayment of the Loan on such date as may be specified whereupon, regardless of any other provision of this Agreement, the Loan shall become due and payable on the date so specified together with all interest accrued and all other sums payable under this Agreement or (b) withdraw such declaration with effect from the date specified in such notice.

13. **INDEMNITIES**

13.1 **General indemnity**

Each Borrower agrees to indemnify the Lender on demand, without prejudice to any of the Lender's other rights under any of the Security Documents, against any loss (including loss of Margin) or expense (including, without limitation, Break Costs) which the Lender shall certify as sustained by it as a consequence of any Default, any prepayment of the Loan being made under Clauses 6.3 (*Mandatory prepayment on Total Loss*), 6.5 (*Mandatory prepayment on sale of the Vessel*), 10.2.1 (*Security value maintenance*) or 14.1 (*Unlawfulness*) or any other repayment or prepayment of the Loan being made otherwise than on an Interest Payment Date relating to the part of the Loan prepaid or repaid; and/or the Loan not being made for any reason of default or negligence of any Borrower after the Drawdown Notice has been given.

13.2 **Environmental indemnity**

Each Borrower shall indemnify the Lender on demand and hold it harmless from and against all costs, claims, expenses, payments, charges, losses, demands, liabilities, actions, Proceedings, penalties, fines, damages, judgements, orders, sanctions or other outgoings of whatever nature which may be incurred or made or asserted whensoever against the Lender at any time, whether before or after the repayment in full of principal and interest under this Agreement, arising howsoever out of an Environmental Claim made or asserted against the Lender which would not have been, or been capable of being, made or asserted against the Lender had it not entered into any of the Security Documents or been involved in any of the resulting or associated transactions.

13.3 **Capital adequacy and reserve requirements indemnity**

Each Borrower shall promptly indemnify the Lender on demand against any cost incurred or loss suffered by the Lender as a result of its complying with (i) the minimum reserve requirements from time to time of the European Central Bank (ii) any capital adequacy directive of the European Union and/or (iii) any revised framework for international convergence of capital measurements and capital standards and/or any regulation imposed by any Government Entity in connection therewith, and/or in connection with maintaining required reserves with a relevant national central bank to the extent that such compliance or maintenance relates to the Commitment and/or the Loan or deposits obtained by it to fund the whole or part thereof and to the extent such cost or loss is not recoverable by the Lender under Clause 14.2 (*Increased costs*).

14. UNLAWFULNESS, INCREASED COSTS AND BAIL-IN

14.1 Unlawfulness

If it is or becomes contrary to any law, directive or regulation for the Lender to contribute to the Loan or to maintain its Commitment or fund the Loan, the Lender shall promptly give notice to the Borrowers whereupon (a) the Commitment shall be reduced to zero or (b) (if the Loan has been made available hereunder) the Borrowers shall be obliged to prepay the Loan either (i) forthwith or (ii) on a future specified date not being earlier than the latest date permitted by the relevant law, directive or regulation together with interest accrued to the date of prepayment and all other sums payable by the Borrowers under this Agreement.

14.2 Increased costs

If the result of any change in, or in the interpretation or application of, or the introduction of, any law or any regulation, request or requirement of any central bank or Government Entity (including, but not limited to, the “International Convergence of Capital Standards, a Revised Framework” published by the Basle Committee on Banking Supervision in June 2004 as implemented in the EU by the Capital Requirements Directive (2006/48/EC and 2006/49/EC) (or any subsequent amendment or substitute agreement) or pursuant to Basel III, CRD IV and CRR (whether or not having the force of law, but, if not having the force of law, with which the Lender or, as the case may be, its holding company habitually complies), including (without limitation) those relating to Taxation, capital adequacy, liquidity, reserve assets, cash ratio deposits and special deposits, is to:

- 14.2.1 subject the Lender to Taxes or change the basis of Taxation of the Lender with respect to any payment under any of the Security Documents (other than Taxes or Taxation on the overall net income, profits or gains of the Lender imposed in the jurisdiction in which its principal or lending office under this Agreement is located); and/or
- 14.2.2 increase the cost to, or impose an additional cost on, the Lender or its holding company in making or keeping the Commitment available or maintaining or funding all or part of the Loan; and/or
- 14.2.3 reduce the amount payable or the effective return to the Lender under any of the Security Documents; and/or
- 14.2.4 reduce the Lender’s or its holding company’s rate of return on its overall capital by reason of a change in the manner in which it is required to allocate capital resources to its obligations under any of the Security Documents; and/or
- 14.2.5 require the Lender or its holding company to make a payment or forego a return on or calculated by reference to any amount received or receivable by it under any of the Security Documents; and/or

- 14.2.6 require the Lender or its holding company to incur or sustain a loss (including a loss of future potential profits) by reason of being obliged to deduct all or part of the Commitment or the Loan from its capital for regulatory purposes, then and in each such case (subject to Clause 14.3 (*Exception*)):
- (a) the Lender shall notify the Borrowers in writing of such event promptly upon its becoming aware of the same; and
 - (b) each Borrower shall on demand made at any time whether or not the Loan has been repaid, pay to the Lender the amount which the Lender specifies is required to compensate the Lender and/or (as the case may be) its holding company for such liability to Taxes, cost, reduction, payment, forgone return or loss.

For the purposes of this Clause 14.2 “holding company” means the company or entity (if any) within the consolidated supervision of which the Lender is included.

14.3 **Exception**

Nothing in Clause 14 shall entitle the Lender to receive any amount in respect of compensation for any such liability to Taxes, increased or additional cost, reduction, payment, foregone return or loss to the extent that the same is the subject of an additional payment under Clause 8.6 (*Grossing-up for Taxes – by the Borrowers*).

14.4 **Contractual recognition of bail-in**

Notwithstanding any other term of any Security Document or any other agreement, arrangement or understanding between the parties to this Agreement, each such party acknowledges and accepts that any liability of any party to this Agreement to any other party to this Agreement under or in connection with the Security 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 Security Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability

15. APPLICATION OF MONEYS, SET OFF, PRO-RATA PAYMENTS AND MISCELLANEOUS

15.1 Application of moneys

All moneys received by the Lender under or pursuant to any of the Security Documents and expressed to be applicable in accordance with the provisions of this Clause 15.1 or in a manner determined in the Lender's discretion, shall be applied in the following manner:

- 15.1.1 first, in or towards payment, in such order as the Lender may decide, of any unpaid costs and expenses of the Lender and the Lender under any of the Security Documents;
- 15.1.2 secondly, in or towards payment of any fees payable to the Lender under, or in relation to, the Security Documents which remain unpaid;
- 15.1.3 thirdly, in or towards payment to the Lender of any accrued default interest owing pursuant to Clause 4.7 (*Default Interest*) but remains unpaid;
- 15.1.4 fourthly, in or towards payment to the Lender of any accrued interest owing in respect of the Loan which shall have become due under any of the Security Documents but remains unpaid;
- 15.1.5 fifthly, in or towards payment to the Lender of any due but unpaid Repayment Instalments;
- 15.1.6 sixthly, in or towards payment to the Lender in application in repayment of the Loan in accordance with Clause 6.7.2 hereof;
- 15.1.7 seventhly, in or towards payment for any loss suffered by reason of any such payment in respect of principal not being effected on an Interest Payment Date relating to the part of the Loan repaid and which amounts are so payable under this Agreement and any other sum relating to the Loan which shall have become due under any of the Security Documents but remains unpaid; and
- 15.1.8 eighthly, in or towards payment under Clause 16.3 (*Retention Account: credits and withdrawals*) (on the first Business Day following the day on which the obligation any the Borrower to make such payment under Clause 16.3 arises); and
- 15.1.9 ninthly, the surplus (if any) shall be paid to the Borrowers or to whomsoever else may then be entitled to receive such surplus.

The order of application set out in Clauses 15.1.1 to 15.1.8 may be varied by the Lender without any reference to, or consent or approval from, the Borrowers.

15.2 Set-off

- 15.2.1 Each Borrower irrevocably authorises the Lender (without prejudice to any of the Lender's rights at law, in equity or otherwise), at any time and without notice to any Borrower, to apply any credit balance to which any Borrower is then entitled standing upon any account of any Borrower with any branch of the Lender in or towards satisfaction of any sum due and payable from any Borrower to the Lender under any of the Security Documents. For this purpose, the Lender is authorised to purchase with the moneys standing to the credit of such account such other currencies as may be necessary to effect such application.
- 15.2.2 The Lender shall not be obliged to exercise any right given to it by this Clause 15.2.
- 15.2.3 Nothing in this Clause 15.2 shall be effective to create a charge or other security interest.
- 15.3 **Further assurance**
- Each Borrower undertakes with the Lender that the Security Documents shall both at the date of execution and delivery thereof and throughout the Facility Period be valid and binding obligations of the respective parties thereto which, with the rights of the Lender thereunder, are enforceable in accordance with their respective terms and that it will, at its expense, execute, sign, perfect and do, and will procure the execution, signing, perfecting and doing by each of the other Security Parties of, any and every such further assurance, document, act or thing as in the opinion of the Lender may be necessary for perfecting the security contemplated or constituted by the Security Documents.
- 15.4 **Conflicts**
- In the event of any conflict between this Agreement and any of the other Security Documents, the provisions of this Agreement shall prevail.
- 15.5 **No implied waivers, remedies cumulative**
- No failure or delay on the part of the Lender to exercise any power, right or remedy under any of the Security Documents shall operate as a waiver thereof, nor shall any single or partial exercise by the Lender of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in the Security Documents are cumulative and are not exclusive of any remedies provided by law. No waiver by the Lender shall be effective unless it is in writing.
- 15.6 **Severability**
- If any provision of this Agreement is prohibited, invalid, illegal or unenforceable in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect or impair howsoever the remaining provisions thereof or affect the validity, legality or enforceability of such provision in any other jurisdiction.
- 15.7 **Force Majeure**
- Regardless of any other provision of this Agreement, the Lender shall not be liable for any failure to perform the whole or any part of this Agreement resulting directly or indirectly from (i) the action or inaction or purported action of any governmental or local authority (ii) any strike, lockout, boycott or blockade (including any strike, lockout, boycott or blockade effected by or upon the Lender or any of its representatives or employees) (iii) any act of God (iv) any act of war (whether declared or not) or terrorism or (v) any other circumstances whatsoever outside the Lender's control.

15.8 **Amendments**

This Agreement may be amended or varied only by an instrument in writing executed by all parties hereto who irrevocably agree that the provisions of this Clause 15.8 may not be waived or modified except by an instrument in writing to that effect signed by all of them.

15.9 **Counterparts**

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

15.10 **English language**

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

16. ACCOUNTS AND RETENTION

16.1 **General**

Each Borrower undertakes with the Lender that it will ensure that:

16.1.1 it will on or before the first Drawdown Date, open an Earnings Account in its name and the Retention Account in their joint names; and

16.1.2 all moneys payable to any Borrower in respect of the Earnings of the Vessel owned by it shall, unless and until the Lender directs to the contrary pursuant to the provisions of the relevant General Assignment, be paid to its Earnings Account, **Provided however that** if any of the moneys paid to any Earnings Account are payable in a currency other than USD, the Lender shall then convert such moneys into USD at the Lender's spot rate of exchange at the relevant time for the purchase of USD with such currency and the term "spot rate of exchange" shall include any premium and costs of exchange payable in connection with the purchase of USD with such currency.

16.2 **Earnings Account: withdrawals**

Any sums standing to the credit of any Earnings Account may be applied by the Borrowers from time to time, subject to no Event of Default having occurred, in (i) making the payments required under this Agreement (ii) the operation of the Vessel owned by the relevant Borrower and (iii) subject to Clause 10.3.14 (*Share capital and distribution*), payment of dividends to the Shareholder annually.

16.3 **Retention Account: credits and withdrawals**

16.3.1 The Borrowers undertake with the Lender that, throughout the Facility Period, they will procure that, on each Retention Date there is paid (whether from an Earnings Account or elsewhere) to the Retention Account, the Retention Amount for such date and the Borrowers hereby irrevocably authorise the Lender, to the extent that funds are available, to transfer the Retention Amount from any Earnings Account to the Retention Account on or about each Retention Date.

16.3.2 Unless and until there shall occur an Event of Default (whereupon the provisions of Clause 16.4 (*Shortfall in Earnings*) shall apply), all Retention Amounts credited to the Retention Account together with interest from time to time accruing or at any time accrued thereon must be applied by the Lender (and the Borrower hereby irrevocably authorises the Lender so to apply the same) upon each Repayment Date and/or on each day that interest is payable on the Loan pursuant to Clause 4.1 or Clause 4.2 as the case may be, in or towards payment to the Lender of the instalment then falling due for repayment or, as the case may be, the amount of interest then due. Each such application by the Lender shall constitute a payment in or towards satisfaction of the Borrowers' corresponding payment obligations under this Agreement but shall be strictly without prejudice to the obligations of the Borrowers to make any such payment to the extent that the aforesaid application by the Lender is insufficient to meet the same.

Unless the Lender otherwise agrees in writing and subject to this Clause 16.3.2, no Borrower shall be entitled to withdraw any moneys from the Retention Account at any time during the Facility Period.

16.4 **Shortfall in Earnings**

If the aggregate Earnings received in the Earnings Accounts are insufficient at any time for the required amount to be transferred to the Retention Account under Clause 16.3.1, the Borrowers shall make up the amount of the insufficiency on demand from the Lender; but, without thereby prejudicing the Lender's right to make such demand at any time, the Lender may permit the Borrowers to make up all or part of the insufficiency by increasing the amount of any transfer under Clause 16.3.1 from the Earnings received in the next or subsequent months

16.5 **Application of accounts**

At any time after the occurrence of an Event of Default, the Lender may, without prior notice to any Borrower and/or the Corporate Guarantor apply all moneys then standing to the credit of any Earnings Account and/or the Retention Account (together with interest from time to time accruing or accrued thereon) in or towards satisfaction of any sums due to Lender under the Security Documents at the time of such applications in the manner specified in Clause 15.1 (*Application of moneys*).

16.6 **Charging of accounts**

The Retention Account and all amounts from time to time standing to the credit thereof shall be subject to the security constituted and the rights conferred by the Retention Account Pledge but otherwise free of Encumbrance.

17. AMENDMENTS

17.1 Changes to reference rates

17.1.1 If a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver which relates to:

- (a) providing for the use of a Replacement Reference Rate in place of that (or in addition to that) Published Rate; and
- (b)
 - (i) aligning any provision of any Security Document to the use of that Replacement Reference Rate;
 - (ii) 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);
 - (iii) implementing market conventions applicable to that Replacement Reference Rate;
 - (iv) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
 - (v) 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 Lender and the Borrowers.

17.1.2 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:

- (a) relates to the use of the RFR on a compounded basis in the international or any relevant domestic syndicated loan markets; and
- (b) is issued on or after the date of this Agreement,

may be made with the consent of the Lender and the Borrowers.

17.1.3 In this Clause 17.1 (*Changes to reference rates*):

“**Published Rate**” means:

- (a) SOFR; or
- (b) Term SOFR for the Quoted Tenor.

“**Published Rate Contingency Period**” means, in relation to:

- (a) Term SOFR for the Quoted Tenor, ten RFR Banking Days; and
- (b) SOFR, ten RFR Banking Days.

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

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Lender and the Borrowers, materially changed;
- (b)
 - (i)
 - (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
 - (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Lender and the Borrowers) temporary; or

- (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than the applicable Published Rate Contingency Period; or
- (d) in the opinion of the Lender and the Borrowers, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“**Quoted Tenor**” means, in relation to Term SOFR, 1 month.

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

“**Replacement Reference Rate**” means a reference rate which is:

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

18. ASSIGNMENT, TRANSFER AND LENDING OFFICE

18.1 Benefit and burden

This Agreement shall be binding upon, and enure for the benefit of, the Lender and the Borrowers and their respective successors in title.

18.2 No assignment by Borrowers

No Borrower may assign or transfer any of its rights or obligations under this Agreement.

18.3 Transfer by Lender

- 18.3.1 The Lender may at any time (i) change its office through which the Loan is made available or (ii) with the prior written consent of the Borrower (such consent not to be unreasonably withheld) cause all or any part of its rights, benefits and/or obligations under this Agreement and the other Security Documents to be transferred or assigned, to a wholly-owned banking subsidiary or associated company of the Lender or to any third party (in either case a “**Transferee Lender**”) provided always that any such Transferee Lender, by delivery of such undertaking as the Lender may approve, becomes bound by the terms of this Agreement and agrees to perform all or, as the case may be, relevant part of the Lender’s obligations under this Agreement the rights and equities of the Borrowers or of any other Security Party referred to above include, but are not limited to, any right of set-off and any other kind of cross-claim.
- 18.3.2 The prior consent of the Borrowers (such consent not to be unreasonably withheld, delayed or conditioned) is required for a transfer or assignment pursuant to this Clause 18.3 (*Transfer by a Lender*), unless:
- (a) the Transferee Lender is another affiliate or a company or financial institution which is in the same ownership or control the Lender; or
 - (b) an Event of Default has occurred and is continuing at the relevant time.
- 18.3.3 The consent of the Borrowers, where required, shall be deemed granted if the Borrowers have failed to object to such request by written notice to the Lender within five Business Days from the Borrowers’ receipt of the Lender’s notice.
- 18.4 **Documenting transfers**
- If the Lender assigns all or any part of its rights or transfers all or any part of its rights, benefits and/or obligations as provided in Clause 18.3 (*Transfer by a Lender*), each Borrower undertakes, immediately on being requested to do so by the Lender and, to enter into, and procure that the other Security Parties shall enter into, such documents as may be necessary or desirable to transfer to the Transferee Lender all or the relevant part of the Lender’s interest in the Security Documents and all relevant references in this Agreement to the Lender shall thereafter be construed as a reference to the Lender and/or its Transferee Lender (as the case may be) to the extent of their respective interests.
- 18.5 **Sub-Participation**
- The Lender may sub-participate all or any part of its rights and/or obligations under the Security Documents without the consent of, or notice to, the Borrowers. Any such sub-participation shall have no effect on the Lender’s rights under the Security Documents.
- 18.6 **Disclosure of information**
- 18.6.1 The Lender agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Paragraphs 18.6.2 and 18.6.3 below, 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,

- 18.6.2 The Lender may disclose:
- (a) any Funding Rate to the Borrowers pursuant to Clause 4.8 (*Notification of rates of interest – Term Rate Loan*) or Clause 4.9 (*Notification of rates of interest – Compounded Rate Loan*); and
 - (b) 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 Undertaking or such other form of confidentiality undertaking agreed between the Lender.
- 18.6.3 The Lender may disclose, without requiring the consent of any Borrower or any other Security Party:
- (a) to any of its affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and representatives, such Confidential Information as the Lender shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information, except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information; or
 - (b) to any person; or
 - (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 Security Documents or who succeeds (or may potentially succeed) it as Lender and, in each case, to any of that person's Affiliates, representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Security Documents and/or one or more of the Borrowers or any other Security Party and to any of that person's Affiliates, representatives and professional advisers;
 - (iii) appointed by the Lender or by a person to whom sub-paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Security Documents on its behalf;
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) above;

- (v) to whom information is required or requested to be disclosed by (1) any governmental, banking, taxation or other regulatory authority or similar body, or the rules of any relevant stock exchange; or (2) pursuant to any applicable law or regulation; or (3) any court of competent jurisdiction; or (4) in connection with and for the purposes of any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - (vi) to whom or for whose benefit the Lender charges, assigns or otherwise creates an Encumbrance (or may do so) pursuant to Clause 18.8 (*Security over Lenders' Rights*); or
 - (vii) who is a Party,
- in each case, such Confidential Information as the Lender shall consider appropriate if:
- (A) in relation to sub-paragraphs (i), (ii) and (iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to sub-paragraph (iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
 - (C) in relation to sub-paragraphs (v), (vi) and (vii) 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 the Lender, it is not practicable so to do in the circumstances;
- (c) to any person appointed by the Lender or by a person to whom sub-paragraph (A) or (B) above applies to provide administration or settlement services in respect of one or more of the Security Documents including without limitation, in relation to the trading of participations in respect of the Security Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this sub-paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking; and
 - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Security Documents and/or any Borrower or any other Security Party 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.

- 18.6.4 Notwithstanding any other term of any Security Document or any other agreement between the Parties to the contrary (whether express or implied) any Creditor Party may disclose to any national or international numbering service provider appointed by that Creditor Party to provide identification numbering services in respect of this Agreement, the Loan and/or one or more of any Borrower or any other Security Party the following information:
- (a) name of any Borrower or of any other Security Party;
 - (b) country of domicile of the Borrower or any Security Party;
 - (c) place of incorporation of any Borrower or any other Security Party;
 - (d) date and governing law of this Agreement;
 - (e) the names of any Lender;
 - (f) date of each amendment and restatement of this Agreement;
 - (g) amount of the Loan and the Total Commitments;
 - (h) currency of the Loan;
 - (i) type of Loan;
 - (j) ranking of the Loan;
 - (k) Availability Period;
 - (l) Maturity Date;
 - (m) Final changes to any of the information previously supplied pursuant to sub-paragraphs (b) to (m); and
 - (n) such other information agreed between such Creditor Party and the Borrower,
- to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- 18.6.5 The Parties acknowledge and agree that each identification number assigned to this Agreement, the Loan and/or one or more of the Borrowers and the other Security Parties by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- 18.6.6 The Borrowers represent that none of the information set out in sub-paragraphs (a) to (n) of paragraph 18.6.4 above is, nor will at any time be, unpublished price-sensitive information.

- 18.6.7 The Lender shall notify the Borrowers of:
- (a) the name of any numbering service provider appointed by the Lender in respect of this Agreement, the Loan and/or one or more of the Borrowers or any other Security Party; and
 - (b) the number or, as the case may be, numbers assigned to this Agreement, the Loan and/or one or more of the Borrowers or any other Security Party by such numbering service.
- 18.6.8 Notwithstanding any other term of any Security Document or any other agreement between the Parties to the contrary (whether express or implied), the Lender may disclose to any person appointed by:
- (a) the Lender; and
 - (b) a person with (or through) whom the Lender enters into (or may potentially enter into) any sub-participation in relation to, or any other transaction under which payments are to be made, or may be made, by reference to, one or more Security Documents and/or one or more of the Borrowers or any other Security Party,
- to provide administration or settlement services in respect of one or more of the Security Documents including without limitation, in relation to the trading of participations in respect of the Security Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this clause if the service provider to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking.
- 18.6.9 The Lender and any potential assignee acknowledges and shall acknowledge that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of them undertakes not to use any Confidential Information for any unlawful purpose.
- 18.6.10 This Clause 18.6 (*Disclosure of information*) constitutes the entire agreement between the Parties in relation to the obligations of the Lender under the Security Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.
- 18.7 **Securitisation**
- The Lender may include all or any part of the Loan in a securitisation or similar transaction without the consent of any Borrower or any Security Party. Each Borrower will (and shall procure that each Security Party will) assist the Lender as necessary to achieve a successful securitisation (or similar transaction).

18.8 **Security over Lender's rights**

In addition to the other rights provided to the Lender under this Clause 18, the Lender may without consulting with or obtaining consent from any Security Party, at any time charge, assign or otherwise create an Encumbrance in or over (whether by way of collateral or otherwise) all or any of its rights under any Security Document to secure obligations of the Lender including, without limitation:

- (a) an Encumbrance to secure obligations to a federal reserve or central bank; and
- (b) if the Lender is a fund, any charge, assignment or other Encumbrance granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by the Lender as security for those obligations or securities,

except that no such Encumbrance shall:

- (i) release a Security Party from any of its obligations under the Security Documents or substitute the beneficiary of the relevant Encumbrance for the Lender as a party to any of the Security Documents; or
- (ii) require any payments to be made by a Security Party 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 Lender under the Security Documents.

19. NOTICES AND OTHER MATTERS

19.1 Notices

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

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

19.2 Addresses for communications, effective date of notices

19.2.1 Subject to Clause 19.2.2 and clause 19.2.3 notices to the Borrower shall be deemed to have been given and shall take effect when received in full legible form by the Borrower at the address and/or the fax number and/or the email address appearing below (or at such other address or fax number or the email address as the Borrower may hereafter specify for such purpose to the Lender by notice in writing);

Address: c/o Navios Shipmanagement Inc.
85 Akti Miaouli
185 38 Piraeus
Greece

Fax no: + 30 210 453 1984

Email: legal_corp@Navios.com

notwithstanding the provisions of Clause 19.2.1 or clause 19.2.3, a notice of Default and/or a notice given pursuant to Clause 12.2 (*Acceleration*) or Clause 12.3 (*Demand Basis*) to the Borrower shall be deemed to have been given and shall take effect when delivered, sent or transmitted by the Lender to the Borrowers to the address or fax number or the email address referred to in Clause 19.2.1;

19.2.2 subject to clause 19.2.3, notices to the Lender shall be deemed to be given, and shall take effect, when received in full legible form by the Lender at the address and/or the fax number and/or the email address appearing below (or at any such other address or fax number or the email address as the Lender may hereafter specify for such purpose to the Borrower in writing);

Address: Shipping Division
2 Bouboulinas Str, & Akti Miaouli
Piraeus 185 35
Greece

Fax No. +30 210 4144120

Attention: Mr. Em.Tsagarakis, Mr. P. Katsoulas

19.2.3 if under Clause 19.2.1 or Clause 19.2.3 a notice would be deemed to have been given and effective on a day which is not a working day in the place of receipt or is outside the normal business hours in the place of receipt, the notice shall be deemed to have been given and to have taken effect at the opening of business on the next working day in such place.

20. GOVERNING LAW

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

21. JURISDICTION

21.1 Exclusive Jurisdiction

For the benefit of the Lender, and subject to Clause 21.4 below, each Borrower hereby irrevocably agrees that the courts of England shall have exclusive jurisdiction:

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

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

21.2 Submission and service of process

Each Borrower accordingly irrevocably and unconditionally submits to the jurisdiction of the English courts. Without prejudice to any other mode of service each Borrower:

- 21.2.1 irrevocably empowers and appoints Messrs Hill Dickinson Services (London) Limited at present of Broadgate Tower, 20 Primrose Street, London EC2A 2EW, England, as its agent to receive and accept on its behalf any process or other document relating to any proceedings before the English courts in connection with this Agreement;
- 21.2.2 agrees to maintain such an agent for service of process in England from the date hereof until the end of the Facility Period;
- 21.2.3 agrees that failure by a process agent to notify any Borrower of service of process will not invalidate the proceedings concerned;
- 21.2.4 without prejudice to the effectiveness of service of process on its agent under Clause 21.2.1 above but as an alternative method, consents to the service of process relating to any such proceedings by mailing or delivering a copy of the process to its address for the time being applying under Clause 19.2 (*Addresses for communication, effective date of notices*); and
- 21.2.5 agrees that if the appointment of any person mentioned in Clause 21.2.1 ceases to be effective, each Borrower shall immediately appoint a further person in England to accept service of process on its behalf in England and, failing such appointment within seven (7) days the Lender shall thereupon be entitled and is hereby irrevocably authorised by the Borrowers in those circumstances to appoint such person by notice to the Borrowers.
- 21.3 **Forum non conveniens and enforcement abroad**
- Each Borrower:
- 21.3.1 waives any right and agrees not to apply to the English court or other court in any jurisdiction whatsoever to stay or strike out any proceedings commenced in England on the ground that England is an inappropriate forum and/or that Proceedings have been or will be started in any other jurisdiction in connection with any dispute or related matter falling within Clause 21.1; and
- 21.3.2 agrees that a judgment or order of an English court in a dispute or other matter falling within Clause 21.1 shall be conclusive and binding on each Borrower and may be enforced against it in the courts of any other jurisdiction.
- 21.4 **Right of Lender, but not Borrowers, to bring proceedings in any other jurisdiction**
- 21.4.1 Nothing in this Clause 21 (*Jurisdiction*) limits the right of the Lender to bring Proceedings, including third party proceedings, against the Borrowers or to apply for interim remedies, in connection with this Agreement in any other court and/or concurrently in more than one jurisdiction;
- 21.4.2 the obtaining by the Lender of judgment in one jurisdiction shall not prevent the Lender from bringing or continuing proceedings in any other jurisdiction, whether or not these shall be founded on the same cause of action.

21.5 **Enforceability despite invalidity of Agreement**

Without prejudice to the generality of Clause 18.6 (*Disclosure of Information*), the jurisdiction agreement contained in this Clause 21 (*Jurisdiction*) shall be severable from the rest of this Agreement and shall remain valid, binding and in full force and shall continue to apply notwithstanding this Agreement or any part thereof being held to be avoided, rescinded, terminated, discharged, frustrated, invalid, unenforceable, illegal and/or otherwise of no effect for any reason.

21.6 **Effect in relation to claims by and against non-parties**

21.6.1 For the purpose of this clause “Foreign Proceedings” shall mean any Proceedings except proceedings brought or pursued in England arising out of or in connection with (i) or in any way related to any of the Security Documents or any assets subject thereto or (ii) any action of any kind whatsoever taken by the Lender pursuant thereto or which would, if brought by any Borrower against the Lender, have been required to be brought in the English courts;

21.6.2 the Borrower shall not bring or pursue any Foreign Proceedings against the Lender and the Borrower shall prevent persons not party to this Agreement from bringing or pursuing any Foreign Proceedings against the Lender;

21.6.3 If, for any reason whatsoever, any Security Party (other than any Manager) and/or any person connected howsoever with any Security Party (other than any Manager) (including but not limited to any shareholder of any Borrower) brings or pursues against the Lender any Foreign Proceedings, each Borrower shall indemnify the Lender on demand in respect of any and all claims, losses, damages, demands, causes of action, liabilities, costs and expenses (including, but not limited to, legal costs) of whatsoever nature howsoever arising from or in connection with such Foreign Proceedings which the Lender certifies as having been incurred by it;

the Lender and the Borrowers hereby agree and declare that the benefit of this Clause 21 (*Jurisdiction*) shall extend to and may be enforced by any officer, employee, agent or business associate of the Lender against whom any Borrower brings a claim in connection howsoever with any of the Security Documents or any assets subject thereto or any action of any kind whatsoever taken by, or on behalf of or for the purported benefit of the Lender pursuant thereto or which, if it were brought against the Lender, would fall within the material scope of Clause 21.1. In those circumstances this Clause 21 (*Jurisdiction*) shall be read and construed as if references to the Lender were references to such officer, employee, agent or business associate, as the case may be.

22. **BORROWERS’ OBLIGATIONS**

22.1 **Joint and several**

Regardless of any other provision in any of the Security Documents, all obligations and liabilities whatsoever of the Borrowers herein contained are joint and several and shall be construed accordingly. Each of the Borrowers agrees and consents to be bound by the Security Documents to which it becomes a party notwithstanding that the other Borrowers may not do so or be effectually bound and notwithstanding that any of the Security Documents may be invalid or unenforceable against the other Borrowers, whether or not the deficiency is known to the Lender.

22.2 **Borrowers as principal debtors**

Each Borrower acknowledges that it is a principal and original debtor in respect of all amounts which may become payable by the Borrowers in accordance with the terms of any of the Security Documents and agrees that the Lender may continue to treat it as such, whether or not the Lender is or becomes aware that such Borrower is or has become a surety for the other Borrowers.

22.3 **Indemnity**

The Borrowers undertake to keep the Lender fully indemnified on demand against all claims, damages, losses, costs and expenses arising from any failure of any Borrower to perform or discharge any purported obligation or liability of that Borrower which would have been the subject of this Agreement or any other Security Document had it been valid and enforceable and which is not or ceases to be valid and enforceable against the other Borrowers on any ground whatsoever, whether or not known to the Lender including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of the other Borrowers (or any legal or other limitation, whether under the Limitation Acts or otherwise or any disability or death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding up, administration, receivership, amalgamation, reconstruction or any other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Security Party (other than any Manager)).

22.4 **Liability unconditional**

None of the obligations or liabilities of the Borrowers under any Security Document shall be discharged or reduced by reason of:

- 22.4.1 the death, bankruptcy, unsoundness of mind, insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of any person whatsoever (including, in the case of a partnership, a termination or change in the composition of the partnership) or any change of name or style or constitution of any Borrower or any other person liable;
- 22.4.2 the Lender granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of, any Borrower or any other person liable or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting, varying any compromise, arrangement or settlement or omitting to claim or enforce payment from either Borrower or any other person liable; or
- 22.4.3 anything done or omitted which but for this provision might operate to exonerate the Borrowers or any of them.

22.5 **Recourse to other security**

The Lender shall not be obliged to make any claim or demand or to resort to any security or other means of payment now or hereafter held by or available to them for enforcing any of the Security Documents against any Borrower or any other person liable and no action taken or omitted by the Lender in connection with any such security or other means of payment will discharge, reduce, prejudice or affect the liability of the Borrowers under the Security Documents to which any of them is, or is to be, a party.

22.6 **Waiver of Borrowers' rights**

Each Borrower agrees with the Lender that, throughout the Facility Period, it will not, without the prior written consent of the Lender:

- 22.6.1 exercise any right of subrogation, reimbursement and indemnity against the other Borrowers or any other person liable under the Security Documents;
- 22.6.2 demand or accept repayment in whole or in part of any Indebtedness now or hereafter due to such Borrowers from the other Borrower or from any other person liable for such Indebtedness or demand or accept any guarantee against financial loss or any document or instrument created or evidencing an Encumbrance in respect of the same or dispose of the same;
- 22.6.3 take any steps to enforce any right against the other Borrowers or any other person liable in respect of any such moneys; or
- 22.6.4 claim any set-off or counterclaim against the other Borrowers or any other person liable or claim or prove in competition with the Lender in the liquidation of the other Borrowers or any other person liable or have the benefit of, or share in, any payment from or composition with, the other Borrowers or any other person liable or any security granted under any Security Document now or hereafter held by the Lender for any moneys owing under this Agreement or for the obligations or liabilities of any other person liable but so that, if so directed by the Lender, it will prove for the whole or any part of its claim in the liquidation of the other Borrowers or other person liable on terms that the benefit of such proof and all money received by it in respect thereof shall be held on trust for the Lender and applied in or towards discharge of any moneys owing under this Agreement in such manner as the Lender shall require.

EXECUTION PAGES

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

THE BORROWERS

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
IRAKLIA SHIPPING CORPORATION) Attorney-in-fact

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
ANTIKITHIRA SHIPPING CORPORATION) Attorney-in-fact

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
LIMNOS SHIPPING CORPORATION) Attorney-in-fact

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
THERA SHIPPING CORPORATION) Attorney-in-fact

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
FANDANGO SHIPPING CORPORATION) Attorney-in-fact
)

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
FLAVESCENT SHIPPING CORPORATION) Attorney-in-fact

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
SUNSTONE SHIPPING CORPORATION) Attorney-in-fact

SIGNED by)
attorney-in-fact for and on behalf of) /s/ Georgios Panagakis
COASTERS VENTURES LIMITED) Attorney-in-fact

SIGNED by
attorney-in-fact for and on behalf of
VELVET SHIPPING CORPORATION

)
) /s/ Georgios Panagakis
) Attorney-in-fact

SIGNED by
attorney-in-fact for and on behalf of
BERTYL VENTURES CO.

)
) /s/ Georgios Panagakis
) Attorney-in-fact

Witness to all the above signatures

Name:
Address: 47-49 Akti Miaouli
185 36 Piraeus
Greece

) /s/ Ioanna Mitsaki
) Witness
)

THE LENDER

SIGNED by
and by
for and on behalf of
NATIONAL BANK OF GREECE S.A.

)
)
)
) /s/ Anna-Maria Sarri
Authorised signatories

Witness to the above signatures

Name:
Address: 47-49 Akti Miaouli
185 36 Piraeus
Greece

)
) /s/ Ioanna Mitsaki
) Witness

Dated ____ June 2023

**ZAKYNTHOS SHIPPING CORPORATION
PERSEPHONE SHIPPING CORPORATION
KERKYRA SHIPPING CORPORATION
CHERNAVA MARINE CORP.
DUCALE MARINE INC.
KLEIMAR NV
OPAL SHIPPING CORPORATION
IRIS SHIPPING CORPORATION
HIGHBIRD MANAGEMENT INC.**

as joint and several Borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS

listed in Schedule 1

as Lenders

and

BNP PARIBAS

as Bookrunner and Co-ordinator

and

BNP PARIBAS

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

as Mandated Lead Arrangers

and

BNP PARIBAS

as Agent and Security Trustee

LOAN AGREEMENT

relating to

a term loan facility of up to \$107,600,000 secured on
three tanker vessels, six bulk carrier vessels and one container carrier vessel

**WATSON FARLEY
&
WILLIAMS**

Index

Clause	Page
1 Interpretation	3
2 Loan Facility	28
3 Position of the Lenders	29
4 Drawdown	30
5 Interest	31
6 Interest Periods	32
7 Changes to the Calculation of Interest	33
8 Repayment and Prepayment	35
9 Conditions Precedent	37
10 Representations and Warranties	38
11 General Undertakings	42
12 Corporate Undertakings	48
13 Insurance	49
14 Ship covenants	56
15 Security Cover	61
16 Payments and Calculations	63
17 Application of Earnings	66
18 Application of Receipts	68
19 Events of Default	70
20 Fees and Expenses	76
21 Indemnities	77
22 No Set-off or Tax Deduction	80
23 Illegality, etc	82
24 Increased Costs	83
25 Set-off	84
26 Transfers and Changes in Lending Offices	85
27 Variations and Waivers by majority lenders	90
28 Notices	92
29 Supplemental	95
30 Confidentiality	97
31 Law and Jurisdiction	101
32 Bail-In	102
33 Joint and Several Liability	102
Schedules	
Schedule 1 Lenders and Commitments	104
Schedule 2 Requests	105
Part A Drawdown Notice	105
Part B Selection Notice	107
Schedule 3 Condition Precedent Documents	109
Part A Conditions Precedent to Loan Agreement	109
Part B Conditions Precedent to Drawdown	111
Schedule 4 Transfer Certificate	113
Schedule 5 Timetables	117
Schedule 6 Reference Rate Terms	118
Schedule 7 Daily Non-Cumulative Compounded RFR Rate	122

Schedule 8 Cumulative Compounded RFR Rate	124
Schedule 9 Vessel Details	125
Schedule 10 Form of Attestation	129
Schedule 11 Account Details	132
Execution	
Execution Pages	134

PARTIES

- (1) **ZAKYNTHOS SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (2) **PERSEPHONE SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (3) **KERKYRA SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (4) **CHERNAVA MARINE CORP.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (5) **DUCALE MARINE INC.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (6) **KLEIMAR NV**, a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium with its registered office (*zetel/siège*) at Suikerrui 5, 2000 Antwerp, Belgium, and registered with the Crossroads Bank for Enterprises under number 0426.557.894, RLE Antwerp, section Antwerp as a **Borrower**;
- (7) **OPAL SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (8) **IRIS SHIPPING CORPORATION**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (9) **HIGHBIRD MANAGEMENT INC.**, a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as a **Borrower**;
- (10) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 (*Lenders and Commitments*), as **Lenders**;
- (11) **BNP PARIBAS** whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France, as **Bookrunner** and **Co-ordinator**;
- (12) **BNP PARIBAS** whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France and **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre, as **Mandated Lead Arrangers**; and

(13) **BNP PARIBAS** whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France, as **Agent** and **Security Trustee**.

BACKGROUND

The Lenders have agreed to make available to the Borrowers, a term loan facility, in an aggregate amount not exceeding the lower of (i) \$107,600,000 and (ii) 50 per cent. of the aggregate Initial Market Value of the Ships for the purpose of refinancing the Existing Indebtedness secured on the Ships and providing working capital to the Borrowers.

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 Definitions

Subject to Clause 1.5 (*General Interpretation*), in this Agreement:

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

“**Account Bank**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des États-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre or any other bank or other financial institution acceptable to the Agent and the Borrowers;

“**Account Pledge**” means, in relation to each Account, a deed of pledge of that Account in such form as the Lenders may approve or require, and in the plural means all of them;

“**Additional Business Day**” means any day specified as such in the Reference Rate Terms;

“**Additional Charter**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Additional Charterer**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Additional Provider**” means each of Additional Provider A and Additional Provider B and, in the plural, means all of them;

“**Additional Provider A**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Additional Provider B**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Additional Ship**” means each of Additional Ship A and Additional Ship B and, in the plural, means all of them;

“**Additional Ship A**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Additional Ship B**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Agency and Trust Deed**” means the agency and trust deed dated the same date as this Agreement and made between the same parties;

“**Agent**” means BNP Paribas acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France or any successor of it appointed under clause 5 (*appointment of new servicing bank*) of the Agency and Trust Deed;

“**Annex VI**” means Annex VI of the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto;

“**Applicable Person**” has the meaning given in Clause 29.4 (*Waiver of Banking Secrecy*);

“**Approved Broker**” means any of Arrow Valuations Limited, Braemar Shipbroking Limited, Clarkson Valuations Limited, E.A. Gibson Shipbrokers Limited, Fearnleys Shipbrokers UK Ltd, Simpson Spence Young Ltd, BRS, Galbraith’s Limited, Maersk Broker K/S, Howe Robinson Partners and Affinity (Shipping) LLP (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Borrowers and the Agent (acting on the instructions of the Majority Lenders) may agree in writing from time to time;

“**Approved Flag**” means, in relation to a Ship, the flag of the Marshall Islands, the flag of Liberia, the flag of Panama, the flag of Malta, the flag of Cyprus or such other flag as the Agent (acting on the instructions of the Majority Lenders) may approve as the flag on which that Ship is or, as the case may be, shall be registered;

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

“**Approved Manager**” means:

- (a) in respect of the management of each Ship, Navios Tankers Management, Navios Shipmanagement Holdings or any other company (for the avoidance of doubt, other than an affiliate or subsidiary of Navios Tankers Management or Navios Shipmanagement Holdings), which the Agent (acting on the instructions of the Majority Lenders) may approve from time to time as the manager of any Ship (such approval not required in respect of an affiliate or subsidiary of Navios Tankers Management or Navios Shipmanagement Holdings); and
- (b) in respect of the technical management of Ship A and Ship I, Synergy Marine Pte. Ltd., a company incorporated in Singapore whose registered office is at 1 Kim Seng Promenade, #10-11/12, Great World City, Singapore 237994;

“**Approved Manager’s Undertaking**” means, in relation to a Ship, a letter of undertaking including, without limitation, an assignment of an Approved Manager’s rights, title and interest in the Insurances of the relevant Ship executed or to be executed by an Approved Manager in favour of the Agent and the Security Trustee agreeing certain matters in relation to an Approved Manager serving as the manager of that Ship and subordinating the rights of an Approved Manager against that Ship and that Borrower to the rights of the Creditor Parties under the Finance Documents, in such form as the Agent and the Security Trustee, with the authorisation of the Lenders, may approve or require and, in the plural, means all of them;

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

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

- (a) 30 June 2023 (or such later date as the Agent may, acting on the instructions of the Lenders, agree with the Borrowers); or
- (b) if earlier, the date on which the Total Commitments are fully borrowed, cancelled or terminated;

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

“Bail-In Legislation” means:

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

“Balloon Instalment” has the meaning given to it in Clause 8.1 (*Amount of repayment instalments*);

“Basel III” means:

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

“Bookrunner” means BNP Paribas acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France;

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

“Borrower A” means Zakyntos Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower B**” means Persephone Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower C**” means Kerkyra Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower D**” means Chernava Marine Corp., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower E**” means Ducale Marine Inc., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower F**” means Kleimar NV, a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of Belgium with its registered office (*zetel/siège*) at Suikerrui 5, 2000 Antwerp, Belgium, and registered with the Crossroads Bank for Enterprises under number 0426.557.894, RLE Antwerp, section Antwerp;

“**Borrower G**” means Opal Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower H**” means Iris Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower I**” means Highbird Management Inc., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Paris, Athens and New York and in relation to:

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

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

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

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

“**Central Bank Rate Spread**” has the meaning given to that term in the Compounded Rate Terms;

“Charterparty” means:

- (a) in relation to an Additional Ship, the relevant Additional Charter relating to that Additional Ship;
- (b) in relation to a Collateral Ship, the relevant Collateral Charter relating to that Collateral Ship; and
- (c) in relation to a Ship, any charterparty in respect of that Ship (including, without limitation, an Existing Charter) of a duration exceeding or capable of exceeding 12 months, made on terms and with a charterer acceptable in all respects to the Lenders;

“Charterparty Assignment” means:

- (a) in relation to an Additional Ship, the deed of assignment of the Additional Charter relating to that Additional Ship in favour of the Security Trustee, in such form as the Lenders may approve or require;
- (b) in relation to a Collateral Ship, the deed of assignment of the Collateral Charter relating to that Collateral Ship in favour of the Security Trustee, in such form as the Lenders may approve or require; and
- (c) in relation to a Ship, the deed of assignment of any Charterparty relating to that Ship in favour of the Security Trustee, in such form as the Lenders may approve or require;

“Classification Society” means a member of the IACS or any other classification society approved in writing by the Agent acting with the authorisation of the Majority Lenders;

“Co-ordinator” means BNP Paribas acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France;

“Code” means the United States Internal Revenue Code of 1986;

“Collateral Charter” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“Collateral Charterer” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“Collateral Provider” means each of Collateral Provider A and Collateral Provider B and, in the plural, means all of them;

“Collateral Provider A” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“Collateral Provider B” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“Collateral Ship” means each of Collateral Ship A and Collateral Ship B and, in the plural, means all of them;

“Collateral Ship A” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Collateral Ship B**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

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

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

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

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Borrowers and the Agent;

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

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

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

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Creditor Party of Clause 30 (*Confidentiality*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
 - (C) is known by that Creditor Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Creditor Party after that date, from a source which is, as far as that Creditor Party is aware, unconnected with the Group and which, in either case, as far as that Creditor Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and

(ii) any Funding Rate;

“**Contractual Currency**” has the meaning given in Clause 21.5 (*Currency indemnity*);

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

“**Corporate Guarantee**” means the guarantee given or to be given by the Corporate Guarantor in favour of the Security Trustee, guaranteeing the obligations of the Borrowers under this Agreement and the other Finance Documents, in such form as the Lenders may approve or require;

“**Corporate Guarantor**” means Navios Maritime Partners L.P., a limited partnership formed and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, listed on the New York Stock Exchange;

“**CRD IV**” means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2003/87/EC and repealing Directive 2006/48/EC and 2006/29/EC;

“**Creditor Party**” means the Agent, the Security Trustee or any Lender, whether as at the date of this Agreement or at any later time;

“**CRR**” means Regulation (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012;

“**Cumulative Compounded RFR Rate**” means, in relation to an Interest Period for the Loan or any part of the Loan, the percentage rate per annum determined by the Agent (or by any other Creditor Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 8 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement;

“**Daily Non-Cumulative Compounded RFR Rate**” means, in relation to any RFR Banking Day during an Interest Period for the Loan or any part of the Loan, the percentage rate per annum determined by the Agent (or by any other Creditor Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 7 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement;

“**Daily Rate**” means the rate specified as such in the Reference Rate Terms;

“**Designated Unitholder**” means Mrs Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary) and/or Navios Maritime Holdings Inc. or any of its affiliates being, either individually or together, the ultimate beneficial owner(s) of, or having ultimate control of the voting rights attaching to, at least 5 per cent. of all the common units in the Corporate Guarantor and in the plural means all of them;

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

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

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

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

- (a) all freight, hire and passage moneys, compensation payable to that Borrower, that Collateral Provider, that Additional Provider or the Security Trustee in the event of requisition of the Ship owned by that Borrower, the Collateral Ship owned by that Collateral Provider or the Additional Ship operated by that Additional Provider for hire, remuneration for salvage and towage services, demurrage and detention moneys and damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship, that Collateral Ship or, if applicable, that Additional Ship;
- (b) all moneys which are at any time payable under Insurances, if any, in respect of loss of earnings; and
- (c) if and whenever that Ship, that Collateral Ship or, if applicable, that Additional Ship is employed on terms whereby any moneys falling within paragraphs (a) or (b) above are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship, that Collateral Ship or, if applicable, that Additional Ship;

“Earnings Account” means:

- (a) in relation to a Ship, an account in the name of the Borrower owning that Ship with the Account Bank as per Schedule 11 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces that Earnings Account and is designated by the Agent in writing as the Earnings Account in respect of that Ship for the purposes of this Agreement, and, in the plural, means all of them; and
- (b) in relation to a Collateral Ship, an account in the name of the Collateral Provider owning that Collateral Ship with the Account Bank as per Schedule 11 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces that Earnings Account and is designated by the Agent in writing as the Earnings Account in respect of that Collateral Ship for the purposes of this Agreement, and, in the plural, means all of them;

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“Environmental Claim” means:

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

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

“Environmental Incident” means in relation to a Ship:

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

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

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

“Estimated Interest Amount” means, for any Interest Period, the amount of interest that would have been payable in respect of such Interest Period were interest to be calculated on the basis of Term SOFR plus the Margin rather than in accordance with Clause 5.1 (*Calculation of interest*);

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

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

“Existing Charter” shall have the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Existing Charterer**” shall have the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Existing Indebtedness**” means:

- (a) in relation to Existing Loan Agreement A, at any date, the outstanding Financial Indebtedness of Borrower A, Borrower B and Borrower C, on that date under the Existing Loan Agreement A amounting to \$42,196,091.02 at the date of this Agreement; and
- (b) in relation to Existing Loan Agreement B, at any date, the outstanding Financial Indebtedness of Borrower D, Borrower E, Borrower F, Borrower G, Borrower H and Borrower I on that date under Existing Loan Agreement B amounting to \$65,340,000.00 at the date of this Agreement;

“**Existing Loan Agreement**” means Existing Loan Agreement A or Existing Loan Agreement B and, in the plural, means all of them;

“**Existing Loan Agreement A**” means the loan agreement dated 25 August 2021 (as amended, supplemented and/or restated from time to time) and made between, among others, (i) Borrower A, Borrower B and Borrower C as joint and several borrowers, (ii) the banks and financial institutions listed in schedule 1 therein as lenders, (iii) BNP Paribas as bookrunner and arranger, (iv) BNP Paribas and Crédit Agricole Corporate and Investment Bank as mandated lead arrangers, (v) BNP Paribas as agent and (vi) BNP Paribas as security trustee relating to a term loan facility of (originally) \$96,000,000 secured on, among others, Ship A, Ship B and Ship C;

“**Existing Loan Agreement B**” means the loan agreement dated 13 December 2022 (as amended and supplemented from time to time) and made between, amongst others, (i) Borrower D, Borrower E, Borrower F, Borrower G, Borrower H and Borrower I as joint and several borrowers, (ii) the banks and financial institutions listed in schedule 1 therein as lenders, (iii) Crédit Agricole Corporate and Investment Bank and BNP Paribas as bookrunners and arrangers, (iv) Crédit Agricole Corporate and Investment Bank and BNP Paribas as mandated lead arrangers, (v) Crédit Agricole Corporate and Investment Bank as agent and (vi) Crédit Agricole Corporate and Investment Bank as security trustee relating to a term loan facility of (originally) \$105,000,000 secured on, among others, Ship D, Ship E, Ship F, Ship G, Ship H, Ship I and Ship J;

“**Existing Security Interest**” means any Security Interest created to secure any Existing Indebtedness;

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

“**FATCA**” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction;

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

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

“**FATCA FFI**” means a foreign financial institution as defined in section 1471 (d)(4) of the Code which, if any Creditor Party is not a FATCA Exempt Party, could be required to make a FATCA Deduction;

“**Fee Letter**” means any letter or letters dated on or about the date of this Agreement setting out any of the fees payable by the Borrowers pursuant to this Agreement;

“**Final Maturity Date**” means the date falling 36 months from the Drawdown Date;

“**Finance Documents**” means:

- (a) this Agreement;
- (b) the Agency and Trust Deed;
- (c) any Fee Letter;
- (d) any Reference Rate Supplement;
- (e) any Compounding Methodology Supplement;
- (f) the Corporate Guarantee;
- (g) the General Assignments;
- (h) the Mortgages;
- (i) the Account Pledges;
- (j) the Charterparty Assignments;
- (k) the Approved Manager’s Undertakings;
- (l) the Negative Pledges;
- (m) the Shares Security Deeds; and
- (n) any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower, the Corporate Guarantor, a Shareholder, an Approved Manager or any other person as security for, or to establish any form of subordination or priorities arrangement in relation to, any amount payable to the Lenders under this Agreement or any of the other documents referred to in this definition;

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

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

“Funding Rate” means any individual rate notified by a Lender to the Agent pursuant to sub-paragraph (ii) of paragraph (a) of Clause 7.3 (*Cost of funds*);

“General Assignment” means, in relation to a Ship, a general assignment of the Earnings, the Insurances and any Requisition Compensation, in such form as the Lenders may approve or require and, in the plural, means all of them;

“Group” means together, the Corporate Guarantor and its wholly-owned subsidiaries (direct or indirect) including, but not limited to, the Borrowers and the Shareholders from time to time during the Security Period and **“member of the Group”** shall be construed accordingly;

“IACS” means the International Association of Classification Societies;

“Initial Market Value” means, in relation to a Ship, the Market Value thereof determined by taking the valuation of that Ship referred to in paragraph 5 of Schedule 3 (*Condition Precedent Documents*), Part B;

“Insurances” means, in relation to a Ship:

- (a) all policies and contracts of insurance, including entries of that Ship in any protection and indemnity or war risks association, which are effected in respect of that Ship, the Earnings or otherwise in relation to it whether before, on or after the date of this Agreement; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement;

“Interest 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 5.2 (*Payment of interest*);

“**Interest Period**” means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 6 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 5.3 (*Default interest*);

“**ISM Code**” means, in relation to its application to the Borrowers, the Ships and their operation:

- (a) ‘The International Management Code for the Safe Operation of Ships and for Pollution Prevention’, currently known or referred to as the ‘ISM Code’, adopted by the Assembly of the International Maritime Organisation by Resolution A.741(18) on 4 November 1993 and incorporated on 19 May 1994 into chapter IX of the International Convention for the Safety of Life at Sea 1974 (SOLAS 1974); and
- (b) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including without limitation, the ‘Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations’ produced by the International Maritime Organisation pursuant to Resolution A.788(19) adopted on 25 November 1995,

as the same may be amended, supplemented or replaced from time to time;

“**ISM Code Documentation**” includes, in relation to a Ship:

- (a) the document of compliance (DOC) and safety management certificate (SMC) issued pursuant to the ISM Code within the periods specified by the ISM Code; and
- (b) all other documents and data which are relevant to the ISM SMS and its implementation and verification which the Agent may require; and
- (c) any other documents which are prepared or which are otherwise relevant to establish and maintain that Ship’s or that Borrower’s compliance with the ISM Code which the Agent may require;

“**ISM SMS**” means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

“**ISPS Code**” means the International Ship and Port Facility Security Code constituted pursuant to resolution A.924 (22) of the International Maritime Organisation (“**IMO**”) adopted by a Diplomatic conference of the IMO on Maritime Security on 13 December 2002 and now set out in Chapter XI-2 of the Safety of Life at Sea Convention (SOLAS) 1974 (as amended) to take effect on 1 July 2004;

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

“**Lender**” means, subject to Clause 26.6 (*Lender re-organisation; waiver of Transfer Certificate*):

- (a) a bank or financial institution listed in Schedule 1 and acting through its branch or office indicated in Schedule 1 (*Lenders and Commitments*) (or through another branch notified to the Borrowers under Clause 26.14 (*Change of lending office*)) unless it has delivered a Transfer Certificate or Certificates covering the entire amounts of its Commitment and its Contribution; and

(b) the holder for the time being of a Transfer Certificate;

“**LMA**” means the Loan Market Association or any successor organisation;

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

“**Lookback Period**” means the number of days specified as such in the Reference Rate Terms;

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

“**Majority Lenders**” means:

(a) before the Loan has been made, Lenders whose Commitments total 66.67 per cent. of the Total Commitments; and

(b) after the Loan has been made, Lenders whose Contributions total 66.67 per cent. of the Loan;

“**Mandated Lead Arrangers**” means BNP Paribas whose registered office (*siege social*) is at 16 Boulevard des Italiens, 75009 Paris, France, acting through its office at Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France and Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre;

“**Margin**” means the percentage rate per annum specified as such in the Reference Rate Terms;

“**Market Disruption Rate**” means the rate (if any) specified as such in the Reference Rate Terms;

“**Market Value**” means the market value of the Ship determined from time to time in accordance with Clause 15.4 (*Valuation of Ship*);

“**Minimum Liquidity**” has the meaning given in Clause 11.20 (*Minimum Liquidity*);

“**Mortgage**” means, in relation to a Ship, the first preferred or, as the case may be, priority ship mortgage and, if applicable, deed of covenant collateral thereto on that Ship, executed by the Borrower which is the owner thereof in favour of the Security Trustee or (as the case may be) the Lenders, in such form as the Lenders may approve or require and in the plural means all of them;

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

“**Navios Tankers Management**” means Navios Tankers Management Inc., a corporation incorporated in the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Negative Pledge**” means, in relation to the shares of Borrower F, the negative pledge agreement given or to be given by each relevant Shareholder in favour of the Security Trustee as security for the obligations of the Borrowers under this Agreement and the other Finance Documents, in such form as the Lenders may approve or require and in the plural means all of them;

“**Notifying Lender**” has the meaning given in Clause 23.1 (*Illegality*) or Clause 24.2 (*Increased cost claims*) as the context requires;

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

“**Payment Currency**” has the meaning given in Clause 21.5 (*Currency indemnity*);

“**Permitted Financial Indebtedness**” means the Financial Indebtedness incurred by Borrower F in the ordinary course of its business of owning and acquiring vessels and in relation to the vessels owned by it other than Ship F and Ship G;

“**Permitted Security Interests**” means:

- (a) Security Interests created by the Finance Documents;
- (b) at any time prior to the Drawdown Date, any Existing Security Interest;
- (c) liens for unpaid crew’s wages in accordance with usual maritime practice;
- (d) liens for salvage;
- (e) liens arising by operation of law for not more than 2 months’ prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;
- (f) liens for master’s disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 45 days overdue (unless the overdue amount is being contested by the relevant Borrower in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to paragraph (g) of Clause 14.13 (*Restrictions on chartering, appointment of managers etc.*);
- (g) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the relevant Borrower is prosecuting or defending such action in good faith by appropriate steps;
- (h) Security Interests arising by operation of law in respect of taxes which are not overdue for payment other than taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made; and
- (i) in relation to Borrower F any Security Interests created under the Permitted Financial Indebtedness;

“**Person**” has the meaning given to it in Clause 10.18 (*Sanctions*);

“**Pertinent Jurisdiction**”, in relation to a company, means:

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

“**Poseidon Principles**” means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published in June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organisation from time to time;

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

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

- (a) is agreed in writing by the Borrowers and the Agent (in its own capacity) and the Agent (acting on the instructions of the Majority 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 Creditor Party;

“**Reference Rate Terms**” means the terms set out in Schedule 6 (*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 Person” has the meaning given in Clause 19.9 (*Relevant Persons*);

“Repayment Date” means a date on which a repayment is required to be made under Clause 8 (*Repayment and Prepayment*);

“Repayment Instalment” has the meaning given to it in Clause 8.1 (*Amount of repayment instalments*);

“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;

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers;

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

“Retention Account” means an account in the joint names of the Borrowers with the Account Bank as per Schedule 11 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces this account and is designated by the Agent as the Retention Account for the purposes of this Agreement;

“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;

“Russian Oil Products” has the meaning given to it in Clause 14.19 (*Russian Price Cap Framework Undertaking*);

“Russian Price Cap Framework” has the meaning given to it in Clause 14.19 (*Russian Price Cap Framework Undertaking*);

“Sanctioned Person” has the meaning given to it in Clause 10.18 (*Sanctions*);

“Sanctioned Country” has the meaning given to it in Clause 10.18 (*Sanctions*);

“Sanctions” means any economic or restrictive measures enacted, administered, or enforced by the United States of America, the United Nations Security Council, the European Union, the French Republic or other relevant sanctions authority;

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

“Security Cover Ratio” means, at any relevant time, the aggregate of:

- (a) the aggregate of the Market Value of the Ships; plus
- (b) the net realisable value of any additional security provided at that time under Clause 15 (*Security Cover*), expressed as a percentage of the Loan;

“**Security Interest**” means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind; and
- (b) the rights of the plaintiff under an action *in rem* in which the vessel concerned has been arrested or a writ has been issued or similar step taken;

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

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

- (a) all amounts which have become due for payment by a Borrower or any Security Party under the Finance Documents have been paid;
- (b) no amount is owing or has accrued (without yet having become due for payment) under any Finance Document;
- (c) no Borrower nor any Security Party has any future or contingent liability under Clause 20 (*Fees and Expenses*), 21 (*Indemnities*) or 22 (*No Set-off or Tax Deduction*) below or any other provision of this Agreement or another Finance Document; and
- (d) the Agent, the Security Trustee and the Lenders do not consider that there is a significant risk that any payment or transaction under a Finance Document would be set aside, or would have to be reversed or adjusted, in any present or possible future bankruptcy of a Borrower or a Security Party or in any present or possible future proceeding relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created by a Finance Document;

“**Security Trustee**” means BNP Paribas acting through its office Immeuble Océanie, 9 rue du Débarcadère, 93500 Pantin, France, or any successor of it appointed under clause 5 (*appointment of a new servicing bank*) of the Agency and Trust Deed;

“**Selection Notice**” means a notice substantially in the form set out in Part B of Schedule 2 (*Requests*) given in accordance with Clause 6 (*Interest Periods*);

“**Shareholder**” means:

- (a) in relation to Borrower A, Borrower B and Borrower C, Aegean Sea Maritime Holdings Inc., a corporation incorporated in the Republic of the Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;
- (b) in relation to Borrower D, Boheme Navigation Company, a corporation incorporated in the Republic of the Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;
- (c) in relation to Borrower E, Borrower G, Borrower H and Borrower I, Veja Navigation Company, a corporation incorporated in the Republic of the Marshall Islands, whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960; and
- (d) in relation to Borrower F, Camco Holdings limited and NAV Holdings Limited, each a company incorporated under the laws of Malta whose registered office is at 25/16 Vincenti Buildings, Strait Street, Valletta VLT 1432, Malta,

and in the plural means all of them;

“**Shares Security Deed**” means, in respect of all the issued shares in each Borrower (other than Borrower F), a pledge of such shares executed or to be executed by the relevant Shareholder in favour of the Security Trustee, in such form as the Lenders may approve or require;

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

“**Ship A**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship B**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship C**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship D**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship E**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship F**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship G**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship H**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship I**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Ship J**” has the meaning given to that term in Schedule 9 (*Vessel Details*);

“**Specified Time**” means a day or time determined in accordance with Schedule 5 (*Timetables*);

“**Statement of Compliance**” means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI;

“**Term SOFR**” means, for any Interest Period, the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) 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) for a tenor as closely comparable to such Interest Period as determined by the Agent on the Term SOFR Determination Date provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day that term SOFR reference rate for the applicable tenor has not been published then Term SOFR will be the most recent term SOFR reference rate published for such tenor;

“**Term SOFR Determination Date**” means, for any Interest Period, the date falling two Additional Business Days before the first day of such Interest Period;

“**Total Loss**” means in relation to a Ship:

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship;
- (b) any expropriation, confiscation, requisition or acquisition of a Ship whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority, excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension unless a Ship is within 30 days redelivered to the full control of the Borrower owning that Ship;
- (c) any condemnation of that Ship by any tribunal or by any person or person claiming to be a tribunal; and
- (d) any capture, seizure or confiscation of that Ship (including any hijacking or theft) unless it is within the Relevant Period redelivered to the full control of the Borrower owning that Ship.

In this definition “**Relevant Period**” means in the case of piracy or capture, seizure or confiscation of a Ship (including any hijacking or theft) 90 days **Provided that** if the relevant underwriters confirm to the Agent in writing prior to the end of the 90-day period referred to in (i) above that the relevant Ship is subject to an approved piracy insurance cover, the earlier of 12 months after the date on which that Ship is captured by pirates and the date on which the piracy insurance cover expires;

“**Total Loss Date**” means in relation to a Ship:

- (a) in the case of an actual loss, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;

- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) the date on which a notice of abandonment is given to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower owning that Ship, with that Ship's insurers in which the insurers agree to treat that Ship as a total loss; and
- (c) in the case of any other type of total loss, on the earlier of:
 - (i) the date at which a total loss is subsequently admitted by such insurers;
 - (ii) the date at which a total loss is subsequently adjudged by a competent court of law or arbitration tribunal to have occurred, if such insurers do not immediately admit such claim; or
 - (iii) the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred;

"Transfer Certificate" has the meaning given in Clause 26.2 (*Transfer by a Lender*);

"Trust Property" has the meaning given in clause 3.1 (*definition of "Trust Property"*) of the Agency and Trust Deed;

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

"Unpaid Sum" means any sum due and payable but unpaid by a Borrower or any Security Party under the Finance Documents;

"US" means the United States of America;

"US GAAP" means generally accepted international accounting principles as from time to time in effect in the United States of America;

"US Tax Obligor" means:

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

"Write-down and Conversion Powers" means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

- (b) in relation to 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 of certain terms

- (a) In this Agreement:

“**approved**” means, for the purposes of Clause 13 (*Insurance*), approved in writing by the Agent;

“**asset**” includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

“**company**” includes any partnership, joint venture and unincorporated association;

“**consent**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

“**contingent liability**” means a liability which is not certain to arise and/or the amount of which remains unascertained;

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;

“**document**” includes a deed; also a letter or fax;

“**excess risks**” means, in relation to a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of the Ship in consequence of its insured value being less than the value at which the Ship is assessed for the purpose of such claims;

“**expense**” means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

“**law**” includes any form of delegated legislation, any order or decree, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“**legal or administrative action**” means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

“**liability**” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“**months**” shall be construed in accordance with Clause 1.3 (*Meaning of “month”*);

“**obligatory insurances**” means, in relation to a Ship, all insurances effected, or which the Borrower owning that Ship, is obliged to effect, under Clause 13 (*Insurance*) or any other provision of this Agreement or another Finance Document;

“**parent company**” has the meaning given in Clause 1.4 (*Meaning of “subsidiary”*);

“**person**” includes any individual, any entity, any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

“**policy**”, in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association, which is a member of the International Group of P&I Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

“**regulation**” includes any regulation, rule, official directive, request or guideline (either having the force of law or compliance with which is reasonable in the ordinary course of business of the party concerned) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

“**subsidiary**” has the meaning given in Clause 1.4 (*Meaning of “subsidiary”*);

“**successor**” includes any person who is entitled (by assignment, novation, merger or otherwise) to any other person’s rights under this Agreement or any other Finance Document (or any interest in those rights) or who, as administrator, liquidator or otherwise, is entitled to exercise those rights; and in particular references to a successor include a person to whom those rights (or any interest in those rights) are transferred or pass as a result of a merger, division, reconstruction or other reorganisation of it or any other person;

“**tax**” includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine;

“**war risks**” includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision; and

“**which is continuing**” or “**is continuing**”, a Potential Event of Default is continuing if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived.

(b) In this Agreement, where it relates to Borrower F, a reference to:

“**gross negligence**” is a reference to *zware fout/faute lourde* and “**wilful misconduct**” is a reference to *opzet/dol*;

a “**liquidator**”, “**receiver**”, “**administrative receiver**”, “**administrator**” or similar officer includes any insolventiefunctionaris/praticien de l’insolvabilité, curator/curateur, vereffenaar/liquidateur, gedelegeerd rechter/juge délégué, ondernemingsbemiddelaar/médiateur d’entreprise, gerechtsmandataris/mandataire de justice, voorlopig bewindvoerder/administrateur provisoire, gerechtelijk bewindvoerder/administrateur judiciaire, mandataris ad hoc/mandataire ad hoc and any *sekwester/séquestre*;

a “**suspension of payments**”, “**moratorium**”, or “**reorganisation**” includes any *gerechtelijke reorganisatie/réorganisation judiciaire*;

an “**insolvency**” includes any insolventieprocedure/procedure d’insolvabilité, gerechtelijke reorganisatie/réorganisation judiciaire, faillissement/faillite and any other concurrence between creditors (*samenloop van schuldeisers/concours des créanciers*);

a “**security interest**” includes a mortgage (*hypotheek/hypothèque*), a pledge (*pand/gage*), a transfer by way of security (*overdracht ten titel van zekerheid/transfert à titre de garantie*), any other proprietary security interest (*zakelijke zekerheid/sûreté réelle*), a mandate to grant a mortgage, a pledge or any other real surety, a privilege (*voorrecht/privilege*) and a retention of title (*eigendomsvoorbehoud/réserve de propriété*);

an obligor being “**incorporated**” in Belgium or of which its “**jurisdiction of incorporation**” is Belgium, means that that Security Party has its registered office (*zetel/siège*) in Belgium;

a person being “**unable to pay its debts**” is that person being in a state of cessation of payments (*staking van betaling/cessation de paiements*);

a “**composition**” includes any minnelijk akkoord met schuldeisers/accord amiable avec des créanciers or any gerechtelijke reorganisatie/réorganisation judiciaire;

“**winding-up**”, “**administration**” or “**dissolution**” includes any vereffening/liquidation, ontbinding/dissolution, sluiting van een onderneming/fermeture d’entreprise and faillissement/faillite;

“**attachment**”, “**sequestration**”, “**distress**”, “**execution**” or analogous procedures includes any *uitvoerend beslag/saisie exécution* and *bewarend beslag/saisie conservatoire*;

an “**amalgamation**”, “**demerger**”, “**merger**” or “**corporate reconstruction**” includes an overdracht van algemeenheid/transfert d’universalité, an overdracht van bedrijfstak/transfert de branche d’activité, a splitsing/scission and a fusie/fusion as well as assimilated transactions (*gelijkgestelde verrichtingen/operations assimilées*) in accordance with article 12:7 and 12:8 of the Belgian Code of Companies and Associations;

the “**Belgian Civil Code**” means the new Belgian *Burgerlijk Wetboek/Code Civil* of 13 April 2019, as amended from time to time; and
the “**Belgian Code of Companies and Associations**” means the Belgian *Wetboek van vennootschappen en verenigingen/Code des sociétés et des associations* dated 23 March 2019, as amended from time to time.

1.3 Meaning of “month”

“**month**” means, in relation to an 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.

1.4 Meaning of “subsidiary”

A company (S) is a subsidiary of another company (P) if:

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

and any company of which S is a subsidiary is a parent company of S **Provided** that there shall be excluded from this definition any subsidiaries which are listed on a public stock exchange.

1.5 General Interpretation

- (a) In this Agreement:
 - (i) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;
 - (ii) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise; and
 - (iii) words denoting the singular number shall include the plural and vice versa.
- (b) Clauses 1.1 (*Definitions*) to 1.4 (*Meaning of “subsidiary”*) and paragraph (a) of this Clause 1.5 (*General Interpretation*) apply unless the contrary intention appears.
- (c) References in Clause 1.1 (*Definitions*) to a document being in the form of a particular Appendix include references to that form with any modifications to that form which the Agent (with the authorisation of the Lenders in the case of substantial modifications) approves or requires.
- (d) The clause headings shall not affect the interpretation of this Agreement.

- (e) A reference in this Agreement to a page or screen of an information service displaying a rate shall include:
 - (i) any replacement page of that information service which displays that rate; and
 - (ii) the appropriate page of such other information service which displays that rate from time to time in place of that information service, and, if such page or service ceases to be available, shall include any other page or service displaying that rate specified by the Agent after consultation with the Borrowers.
- (f) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.
- (g) Any Reference Rate Supplement overrides anything in:
 - (i) Schedule 6 (*Reference Rate Terms*); or
 - (ii) any earlier Reference Rate Supplement.
- (h) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
 - (i) Schedule 7 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 8 (*Cumulative Compounded RFR Rate*), as the case may be; or
 - (ii) any earlier Compounding Methodology Supplement.

2 LOAN FACILITY

2.1 Amount of loan facility

Subject to the other provisions of this Agreement, the Lenders shall make a term loan facility in an aggregate amount not exceeding the Total Commitments.

2.2 Lenders' participations in Loan

- (a) Subject to the other provisions of this Agreement, each Lender shall participate in the Loan in the proportion which, as at the Drawdown Date, its Commitment bears to the Total Commitments.
- (b) The Agent shall notify each Lender of the amount of its Commitment and the amount of its participation in the Loan by the Specified Time.

2.3 Purpose of Loan

The Borrowers undertake with each Creditor Party to use the Loan only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 Interests of Lenders several

The rights of the Creditor Parties under this Agreement are several; accordingly each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Security Trustee or any other Creditor Party as additional parties in the proceedings, save that the Security Interests created by any of the Finance Documents may only be enforced in accordance with Clause 19.2 (*Actions following an Event of Default*).

3.2 Proceedings by individual Creditor Party

However, without the prior consent of the Lenders, no Creditor Party may bring proceedings in respect of:

- (a) any other liability or obligation of any Borrower or a Security Party under or connected with a Finance Document; or
- (b) any misrepresentation or breach of warranty by any Borrower or a Security Party in or connected with a Finance Document.

3.3 Obligations of Creditor Parties several

The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

- (a) the obligations of the other Lenders being increased; nor
- (b) a Borrower, any Security Party or any other Lender being discharged (in whole or in part) from its obligations under any Finance Documents, and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

3.4 Parties bound by certain actions of Lenders

Every Lender, each Borrower and each Security Party shall be bound by:

- (a) any determination made, or action taken, by the Lenders under any provision of a Finance Document;
- (b) any instruction or authorisation given by the Lenders to the Agent or the Security Trustee under or in connection with any Finance Document; and
- (c) any action taken (or in good faith purportedly taken) by the Agent or the Security Trustee in accordance with such an instruction or authorisation.

3.5 Reliance on action of Agent

However, each Borrower and each Security Party:

- (a) shall be entitled to assume that the Lenders have duly given any instruction or authorisation which, under any provision of a Finance Document, is required in relation to any action which the Agent has taken or is about to take; and
- (b) shall not be entitled to require any evidence that such an instruction or authorisation has been given.

3.6 Construction

In Clauses 3.4 (*Parties bound by certain actions of Lenders*) and 3.5 (*Reliance on action of Agent*) references to action taken include (without limitation) the granting of any waiver or consent, an approval of any document and an agreement to any matter.

4 DRAWDOWN

4.1 Request for advance of Loan

- (a) Subject to the following conditions, the Borrowers may request the Loan to be advanced by ensuring that the Agent receives a completed Drawdown Notice not later than the Specified Time (or such other shorter period as the Lenders may agree).
- (b) The Borrowers may not deliver more than one Drawdown Notice.

4.2 Availability

The conditions referred to in Clause 4.1 (*Request for advance of Loan*) are that:

- (a) the Drawdown Date has to be a Business Day during the Availability Period;
- (b) the amount of the Loan shall not exceed the lower of (i) \$107,600,000 and (ii) 50 per cent. of the aggregate Initial Market Value of the Ships;
- (c) the Loan shall be made available in a single amount; and
- (d) the amount of the Loan shall not exceed the Total Commitments.

4.3 Notification to Lenders of receipt of a Drawdown Notice

The Agent shall promptly notify the Lenders that it has received a Drawdown Notice and shall inform each Lender of:

- (a) the amount of the Loan and the Drawdown Date;
- (b) the amount of that Lender's participation in the Loan; and
- (c) the duration of the first Interest Period.

4.4 Drawdown Notice irrevocable

A Drawdown Notice must be signed by an officer or other authorised person of each Borrower; and once served a Drawdown Notice cannot be revoked without the prior consent of the Agent, acting on the authority of the Majority Lenders.

4.5 Lenders to make available Contributions

Subject to the provisions of this Agreement, each Lender shall, on and with value on the Drawdown Date, make available to the Agent for the account of the Borrowers the amount due from that Lender under Clause 2.2 (*Lenders' participations in Loan*).

4.6 Disbursement of Loan

Subject to the provisions of this Agreement, the Agent shall on the Drawdown Date pay to the Borrowers the amounts which the Agent receives from the Lenders under Clause 4.5 (*Lenders to make available Contributions*); and that payment to the Borrowers shall be made:

- (a) to the account which the Borrowers specify in the Drawdown Notice; and
- (b) in the like funds as the Agent received the payments from the Lenders.

4.7 Disbursement of Loan to third party

The payment by the Agent under Clause 4.6 (*Disbursement of Loan*) to any third party specified by the Borrowers in the Drawdown Notice shall constitute the making of the Loan and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's Contribution.

5 INTEREST

5.1 Calculation of interest

- (a) The rate of interest on the Loan or any part of the Loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of:
 - (i) the Margin; and
 - (ii) the Daily Non-Cumulative Compounded RFR Rate for that day.
- (b) If any day during an Interest Period for the Loan or any part of the Loan is not an RFR Banking Day, the rate of interest on the Loan or that part of the Loan for that day will be the rate applicable to the immediately preceding RFR Banking Day.

5.2 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**").

5.3 Default interest

- (a) If a Borrower or a Security Party 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 two per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent. Any interest accruing under this Clause 5.3 (*Default interest*) shall be immediately payable by the Borrowers on demand by the 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.

5.4 Notifications

- (a) The Agent shall no later than two Business Days prior to each Interest Payment Date:
 - (i) notify:
 - (A) the Borrowers of that Interest Payment; and
 - (B) each Lender of the proportion of that Interest Payment which relates to that Lender's participation in the Loan or the relevant part of the Loan; and
 - (ii) upon a Lender's or a Borrower's request, notify the Lenders or the Borrowers (as applicable) of:
 - (A) each applicable rate of interest relating to the determination of that Interest Payment; and
 - (B) to the extent it is then determinable, the Market Disruption Rate (if any) relating to the Loan or the relevant part of the Loan.

This paragraph (a) shall not apply to any Interest Payment determined pursuant to Clause 7.3 (*Cost of funds*).

- (b) The Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan.
- (c) The Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest relating to the Loan or any part of the Loan to which Clause 7.3 (*Cost of funds*) applies.
- (d) This Clause 5.4 (*Notifications*) shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

6 INTEREST PERIODS

6.1 Selection of Interest Periods

- (a) The Borrowers may select the Interest Period for the Loan in the Drawdown Notice. Subject to paragraph (f) below and Clause 6.2 (*Changes to Interest Periods*), the Borrowers may select each subsequent Interest Period in respect of the Loan in a Selection Notice.
- (b) Each Selection Notice is irrevocable and must be delivered to the Agent by the Borrowers not later than the Specified Time.
- (c) If the Borrowers fail to select an Interest Period in the Drawdown Notice or fail to deliver a Selection Notice to the Agent in accordance with paragraphs (a) and (b) above, the relevant Interest Period will, subject to paragraph (f) below and Clause 6.2 (*Changes to Interest Periods*), be the period specified in the Reference Rate Terms.

- (d) Subject to this Clause 6 (*Interest Periods*), the Borrowers may select an Interest Period of any period specified in the Reference Rate Terms or any other period agreed between the Borrowers, the Agent and the Lenders.
- (e) An Interest Period in respect of the Loan or any part of the Loan shall not extend beyond the Final Maturity Date.
- (f) In respect of a Repayment Instalment, the Borrowers may request in the relevant Selection Notice that an Interest Period for a part of the Loan equal to such Repayment Instalment shall end on the Repayment Date relating to it and, subject to paragraph (d) above, select a longer Interest Period for the remaining part of the Loan.
- (g) The first Interest Period for the Loan shall start on the Drawdown Date and each subsequent Interest Period shall start on the last day of the preceding Interest Period.
- (h) Except for the purposes of paragraph (f) above and Clause 6.2 (*Changes to Interest Periods*), the Loan shall have one Interest Period only at any time.
- (i) No Interest Period shall be longer than six months.

6.2 Changes to Interest Periods

- (a) In respect of a Repayment Instalment, before the first day of an Interest Period for the Loan, the Agent may establish an Interest Period for a part of the Loan equal to such Repayment Instalment to end on the Repayment Date relating to it and the remaining part of the Loan shall have the Interest Period selected in the relevant Selection Notice, subject to paragraph (d) of Clause 6.1 (*Selection of Interest Periods*).
- (b) If the Agent makes any change to an Interest Period referred to in this Clause 6.2 (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.

6.3 Non-Business Days

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

7 CHANGES TO THE CALCULATION OF INTEREST

7.1 Interest calculation if no RFR or Central Bank Rate

If:

- (a) there is no RFR or Central Bank Rate for the purposes of calculating the Daily Non-Cumulative Compounded RFR Rate for an RFR Banking Day during an Interest Period for the Loan or any part of the Loan; and
- (b) “Cost of funds will apply as a fallback” is specified in the Reference Rate Terms,
Clause 7.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for that Interest Period.

7.2 Market disruption

If:

- (i) a Market Disruption Rate is specified in the Reference Rate Terms; and
- (ii) before the Reporting Time for the Loan or any part of the Loan, the Agent receives notifications from a Lender or Lenders (whose participations in the Loan or the relevant part of the Loan exceed 66.6 per cent. of the Loan or the relevant part of the Loan as appropriate) that its cost of funds relating to its participation in the Loan or that part of the Loan would be in excess of that Market Disruption Rate,

then Clause 7.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

7.3 Cost of funds

- (a) If this Clause 7.3 (*Cost of funds*) applies to the Loan or part of the Loan for an Interest Period, Clause 5.1 (*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 each Lender's share of the Loan or that part of the Loan for that Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the weighted average of the rates notified to the 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 7.3 (*Cost of funds*) applies and the Agent or the Borrowers so requires, the Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.
- (c) Subject to Clause 27.4 (*Changes to reference rates*), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.
- (d) If paragraph (e) below does not apply and any rate notified to the 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 7.3 (*Cost of funds*) applies pursuant to Clause 7.2 (*Market disruption*) and a Lender's Funding Rate is less than the relevant Market Disruption Rate that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the Market Disruption Rate for the Loan or that part of the Loan.
- (f) If this Clause 7.3 (*Cost of funds*) applies but any Lender does not supply a quotation by the time specified in sub-paragraph (ii) of paragraph (a) above, the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.
- (g) If this Clause 7.3 (*Cost of funds*) applies, the Agent shall, as soon as is practicable, notify the Borrowers.

8 REPAYMENT AND PREPAYMENT

8.1 Amount of repayment instalments

The Borrowers shall repay the Loan by:

- (a) 12 equal consecutive quarterly instalments (each a “**Repayment Instalment**” and together, the “**Repayment Instalments**”) each in the amount of \$7,000,000 each; and
- (b) a balloon instalment in the amount of up to \$23,600,000 (the “**Balloon Instalment**”),
provided that if the amount of the Loan actually drawn down is less than \$107,600,000 each Repayment Instalment and the Balloon Instalment shall be reduced pro rata by an amount in aggregate equal to the undrawn amount.

8.2 Repayment Dates

The first Repayment Instalment shall be repaid on the date falling three months after the Drawdown Date with the remaining Repayment Instalments to be repaid at 3-monthly intervals thereafter and the last Repayment Instalment together with the Balloon Instalment shall be repaid on the Final Maturity Date.

8.3 Final Repayment Date

On the final Repayment Date, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 Voluntary prepayment

Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period in respect thereof.

8.5 Conditions for voluntary prepayment

The conditions referred to in Clause 8.4 (*Voluntary prepayment*) are that:

- (a) a partial prepayment shall be \$1,000,000 or an integral multiple of \$1,000,000;
- (b) the Agent has received from the Borrowers at least five Business Days’ prior written notice specifying the amount to be prepaid and the date on which the prepayment is to be made (such date shall be the last day of an Interest Period); and
- (c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by the Borrowers or any Security Party in connection with the prepayment has been obtained and remains in force, and that any requirement relevant to this Agreement which affects the Borrowers or any Security Party has been complied with.

8.6 Effect of notice of prepayment

A prepayment notice may not be withdrawn or amended without the consent of the Agent, given with the authority of the Majority Lenders, and the amount specified in the prepayment notice shall become due and payable by the Borrowers on the date for prepayment specified in the prepayment notice.

8.7 Notification of notice of prepayment

The Agent shall notify the Lenders promptly upon receiving a prepayment notice and shall provide any Lender which so requests with a copy of any document delivered by the Borrowers under paragraph (c) of Clause 8.5 (*Conditions for voluntary prepayment*).

8.8 Mandatory prepayment

The Borrowers shall be obliged to prepay the Relevant Amount:

- (a) in the case of a sale, on or before the date on which the sale is completed by delivery of that Ship to the buyer; or
- (b) in the case of a Total Loss, on the earlier of the date falling 180 days after the Total Loss Date and the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss.

In this Clause 8.8 (*Mandatory prepayment*):

“**Relevant Amount**” means:

- (a) an amount equal to the higher of:
 - (i) the Relevant Fraction of the Loan on the date on which the relevant Ship is sold or becomes a Total Loss; and
 - (ii) an amount which after the application of the prepayment to be made pursuant to paragraph (b) of Clause 8.10 (*Application of partial prepayment*) results in the Security Cover Ratio being at last equal to the greater of (A) the Security Cover Ratio required to be maintained under Clause 15.1 (*Minimum required security cover*) and (B) the percentage which applied immediately prior to the applicable event described in paragraph (a) or (b) of this Clause 8.8 (*Mandatory prepayment*); or
- (b) if the relevant Ship is the last Ship subject to a Mortgage, the whole of the Loan.

“**Relevant Fraction**” means a fraction of which the numerator is the Market Value of the Ship which is sold or becomes a Total Loss and the denominator is the aggregate of (A) the Market Value of the other Ships then subject to a Mortgage and (B) the Market Value of that Ship.

8.9 Amounts payable on prepayment

A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 (*Indemnities*) below or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period together with any sums payable under paragraph (b) of Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) and without premium or penalty.

8.10 Application of partial prepayment

Any partial prepayment shall be applied:

- (a) if made pursuant to Clause 8.4 (*Voluntary prepayment*), in order of maturity against the then outstanding Repayment Instalments and the Balloon Instalment or in such other manner as the Agent (acting on the instructions of the Lenders) may agree with the Borrowers;
- (b) if made pursuant to Clause 8.8 (*Mandatory prepayment*), *pro rata* against the Repayment Instalments and the Balloon Instalment or in such other manner as the Agent (acting on the instructions of the Lenders) may agree with the Borrowers and after the repayment of any overdue interest, any accrued interest relating to the Loan, any other costs, fees, expenses, commissions due under this Agreement, any surplus shall be released to the Borrowers, **provided that** no Event of Default or Potential Event of Default has occurred or is continuing.

8.11 No reborrowing

No amount repaid or prepaid may be reborrowed.

9 CONDITIONS PRECEDENT

9.1 Documents, fees and no default

Each Lender's obligation to contribute to the Loan is subject to the following conditions precedent:

- (a) that on or before the date of this Agreement, the Agent receives:
 - (i) the documents described in Part A of Schedule 3 (*Condition Precedent Documents*) in a form and substance satisfactory to the Agent and its lawyers; and
 - (ii) the upfront fee referred to in Clause 20.2 (*Upfront fee*);
- (b) that, before or on the Drawdown Date, the Agent receives the documents described in Part B of Schedule 3 (*Condition Precedent Documents*) in form and substance satisfactory to the Agent and its lawyers;
- (c) that at the date of the Drawdown Notice and at the Drawdown Date:
 - (i) no Event of Default or Potential Event of Default has occurred or is continuing or would result from the borrowing of the Loan;
 - (ii) the representations and warranties in Clause 10 (*Representations and Warranties*) and those of the Borrowers or any Security Party which are set out in the other Finance Documents would be true and not misleading if repeated on each of those dates with reference to the circumstances then existing;
 - (iii) none of the circumstances contemplated by Clause 7.2 (*Market disruption*) has occurred and is continuing; and
 - (iv) there has been no material adverse change in the business, management, condition (financial or otherwise), results of operations, operation, performance, prospects or properties of the Borrowers or any of them and/or the Corporate Guarantor applying as at 31 March 2023;

- (d) that, if the ratio set out in Clause 15.1 (*Minimum required security cover*) were applied immediately following the making of the Loan, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and
- (e) that the Agent has received, and found to be acceptable to it, any further opinions, consents, agreements and documents in connection with the Finance Documents which the Agent may, with the authorisation of the Majority Lenders, request by notice to the Borrowers prior to the Drawdown Date.

9.2 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit the Loan to be borrowed before certain of the conditions referred to in Clause 9.1 (*Documents, fees and no default*) are satisfied, the Borrowers shall ensure that those conditions are satisfied within 5 Business Days after the Drawdown Date (or such longer period as the Agent may, with the authority of the Majority Lenders, specify).

10 REPRESENTATIONS AND WARRANTIES

10.1 General

Each Borrower represents and warrants (which representations and warranties (other than the ones in Clauses 10.11 (*Information*) and 10.12 (*No litigation*)) shall survive the execution of this Agreement and shall be deemed to be repeated throughout the Security Period on the first day of each Interest Period with respect to the facts and circumstances then existing) to each Creditor Party as follows.

10.2 Status

- (a) Each of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower G, Borrower H and Borrower I is duly incorporated and validly existing and in good standing under the laws of the Republic of the Marshall Islands.
- (b) Borrower F is duly incorporated and validly existing under the laws of the Kingdom of Belgium.

10.3 Share capital and ownership

- (a) Each of Borrower A, Borrower B, Borrower C, Borrower G and Borrower H is authorised to issue 500 registered shares with a par value of one dollar per share, all of which shares have been issued in registered form, and the legal title and beneficial ownership of all those shares is held, free of any Security Interest (other than any Existing Security Interest) or other claim, by the relevant Shareholder.
- (b) Each of Borrower D, Borrower E and Borrower I is authorised to issue 500 registered and/or bearer share(s) without par value, all of which shares have been issued in registered form, and the legal title and beneficial ownership of all those shares is held, free of any Security Interest (other than any Existing Security Interest) or other claim, by the relevant Shareholder.
- (c) Borrower F is authorised to issue four million eight hundred thirty-five thousand and three shares (4,835,003) representing a share capital of EUR 271,727,441.25, and the ownership of all those shares is held in registered form by the relevant Shareholder, free of any Security Interest or other claim, save for any Security Interests created by the Finance Documents.

- (d) Each Borrower is 100 per cent. owned indirectly by the Corporate Guarantor.

10.4 Corporate power

Each Borrower has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it to:

- (a) continue to own the Ship owned by it under the relevant Approved Flag;
- (b) execute the Finance Documents to which that Borrower is a party; and
- (c) borrow under this Agreement and to make all the payments contemplated by, and to comply with, those Finance Documents to which that Borrower is a party.

10.5 Consents in force

All the consents referred to in Clause 10.4 (*Corporate power*) remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity; effective Security Interests

The Finance Documents to which that Borrower is a party, do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):

- (a) constitute that Borrower's legal, valid and binding obligations enforceable against that Borrower in accordance with their respective terms; and
- (b) create legal, valid and binding Security Interests enforceable in accordance with their respective terms over all the assets to which they, by their terms, relate,

subject to any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6 (*Legal validity; effective Security Interests*), at the time of the execution and delivery of each Finance Document to which a Borrower is a party:

- (a) each Borrower will have the right to create all the Security Interests which that Finance Document purports to create; and
- (b) no third party will have any Security Interest (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates.

10.8 No conflicts

The execution by a Borrower of each Finance Document to which it is a party, and the borrowing by that Borrower of the Loan, and its compliance with each Finance Document to which it is a party will not involve or lead to a contravention of:

- (a) any law or regulation; or

- (b) the constitutional documents of that Borrower; or
- (c) any contractual or other obligation or restriction which is binding on that Borrower or any of its assets.

10.9 No withholding taxes

All payments which each Borrower is liable to make under the Finance Documents to which it is a party may be made without deduction or withholding for or on account of any tax payable under any law of any Pertinent Jurisdiction.

10.10 No default

No Event of Default or Potential Event of Default has occurred and is continuing or would result from the entry into, the performance of, or any transaction contemplated by, any Finance Document.

10.11 Information

All information which has been provided in writing by or on behalf of the Borrowers or any member of the Group to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5 (*Information provided to be accurate*); all audited and unaudited accounts which have been so provided satisfied the requirements of Clause 11.7 (*Form of financial statements*); and there has been no material adverse change in the financial position or state of affairs, operation, performance or prospects of the Borrowers or any of them or any Security Party (excluding an Approved Manager) as at 31 December 2022 from that disclosed to the Agent.

10.12 No litigation

No material, legal or administrative action involving any Borrower or any Security Party (excluding any Approved Manager) has been commenced or taken or, to a Borrower's knowledge, is likely to be commenced or taken.

10.13 Compliance with certain undertakings

At the date of this Agreement, each Borrower is in compliance with Clauses 11.2 (*Title and negative pledge*), 11.4 (*No other liabilities or obligations to be incurred*), 11.9 (*Consents*) and 11.13 (*Confirmation of no default*).

10.14 Taxes paid

Each Borrower has paid all taxes applicable to, or imposed on or in relation to that Borrower, its business or the Ship owned by it.

10.15 No money laundering; anti-bribery

None of the Borrowers, the Security Parties and the Designated Unitholder nor any of their subsidiaries, directors or officers, or, to their best knowledge, any affiliate, agent or employee of them, have engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction and each of the Borrowers, the Security Parties and the Designated Unitholder has instituted and maintains policies and procedures designed to prevent violation of such laws, regulations and rules.

10.16 ISM Code, ISPS Code Compliance and Environmental Laws

All requirements of the ISM Code, ISPS Code and Environmental Laws as they relate to the Borrowers, the Approved Managers and the Ships have been complied with.

10.17 No immunity

No Borrower, nor any of its assets is entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit attachment prior to judgement, execution or other enforcement).

10.18 Sanctions

None of the Borrowers, the Security Parties, the Designated Unitholder or any charterer in respect of a Ship nor any of their subsidiaries, directors or officers, or, to their best knowledge, any affiliate, agent or employee of them, is an individual or entity (a "**Person**"), that is, or is directly or indirectly, owned or controlled by a Person that is: (i) the target of any Sanctions (a "**Sanctioned Person**"), (ii) located, organized or resident in a country or territory that is, or whose government is, the target of Sanctions (currently, Cuba, Iran, North Korea, Syria and the Crimea, Donetsk People's Republic and Luhansk People's Republic regions of Ukraine) (a "**Sanctioned Country**") or (iii) in violation of any Sanctions, anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules.

10.19 Validity and completeness of the Additional Charters, the Collateral Charters and the Existing Charters

- (a) Each of the Additional Charters, the Collateral Charters and the Existing Charters constitutes legal, valid, binding and enforceable obligations of the Additional Provider, the Collateral Provider and the Borrower which is a party thereto.
- (b) The copies of the Additional Charters, the Collateral Charters and the Existing Charters delivered to the Agent before the date of this Agreement are true and complete copies.
- (c) No amendments or additions to any Additional Charter, any Collateral Charter or any Existing Charters have been agreed nor has any Additional Provider, any Collateral Provider or any Borrower waived any of its respective rights under the relevant Additional Charter, Collateral Charter or Existing Charter, respectively.

10.20 Insolvency

In relation to each Borrower, no corporate action, legal proceeding or other procedure or step described in paragraph (h) of Clause 19.1 (*Events of Default*) or creditors' process described in that clause has been taken or, to its knowledge, threatened in relation to it, and none of the circumstances described in paragraph (h) of Clause 19.1 (*Events of Default*) applies to it.

10.21 Specific Price Cap Representation

The Borrowers confirm, and procure that the Corporate Guarantor and the Collateral Charterers confirm, that the use of the Ships and the Collateral Ships is in compliance with the Russian Price Cap Framework and any other restrictions on Russian Oil Products.

11 GENERAL UNDERTAKINGS

11.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 11 (*General Undertakings*) at all times during the Security Period except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

11.2 Title and negative pledge

Each Borrower will:

- (a) hold the legal title to, and own the entire beneficial interest in the Ship owned by it, the Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents;
- (b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any other asset, present or future; and
- (c) procure that its liabilities under the Finance Documents to which it is party do and will rank at least *pari passu* with all other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.3 No disposal of assets

No Borrower will transfer, lease or otherwise dispose of:

- (a) all or a substantial part of its assets, whether by one transaction or a number of transactions, whether related or not; or
- (b) any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation,

but paragraph (a) does not apply to any charter of a Ship as to which Clause 14.13 (*Restrictions on chartering, appointment of managers etc.*) applies.

11.4 No other liabilities or obligations to be incurred

No Borrower will incur any liability or obligation except:

- (a) liabilities and obligations under the Finance Documents to which it is a party;
- (b) in relation to Borrower F, any Permitted Financial Indebtedness;
- (c) subject to other provisions of this Agreement, liabilities or obligations reasonably incurred in the ordinary course of trading, maintaining, repairing, operating and chartering the Ship owned by it;
- (d) at any time prior to the Drawdown Date, the Existing Indebtedness; and

- (e) Financial Indebtedness to any other corporation which is a member of the Group or individual who is a shareholder or majority shareholder in a member of the Group **provided that** such Financial Indebtedness shall be fully subordinated to the Loan and the relevant Borrower shall, promptly following the Agent's demand, execute or procure the execution of any documents which the Agent specifies to create or maintain the subordination of the rights of the relevant member of the Group against the relevant Borrower to those of the Creditor Parties under the Finance Documents.

11.5 Information provided to be accurate

All financial and other information which is provided in writing by or on behalf of a Borrower under or in connection with any Finance Document will be true, correct, accurate and not misleading and will not omit any material fact or consideration.

11.6 Provision of financial statements

Each Borrower will send or procure that they are sent to the Agent:

- (a) as soon as possible, but in no event later than 180 days after the end of each financial year of the Corporate Guarantor (commencing with the financial year ending on 31 December 2023), the audited annual consolidated accounts of the Group; and
- (b) as soon as possible, but in no event later than 90 days after the end of the 6-month period ending on 30 June in each financial year of the Corporate Guarantor (commencing with the 6-month period ending on 30 June 2023), the unaudited semi-annual consolidated management accounts in respect of the Group, duly certified as to their correctness by an officer of the Corporate Guarantor; and
- (c) promptly after each request by the Agent, such further financial information about that Borrower, the Ship owned by it and the Corporate Guarantor or any other member of the Group (including, but not limited to, information regarding the charter arrangements, Financial Indebtedness and operating expenses in relation to any member of the Group) as the Agent may reasonably require.

11.7 Form of financial statements

All accounts (audited and unaudited) delivered under Clause 11.6 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and US GAAP;
- (b) give a true and fair view of the state of affairs of the relevant person at the date of those accounts and of its profit for the period to which those accounts relate; and
- (c) fully disclose or provide for all significant liabilities of the Group.

11.8 Shareholder notices

Each Borrower will send to the Agent following a request by the Agent, and at the same time as they are despatched, copies of all communications which are despatched to that Borrower's shareholders or any class of them.

11.9 Consents

Each Borrower will, and will procure that each Security Party will, maintain in force and promptly obtain or renew, and will promptly send certified copies to the Agent of, all consents required:

- (a) for that Borrower and that Security Party to perform its obligations under any Finance Document or any Charterparty to which it is party;
- (b) for the validity or enforceability of any Finance Document and any Charterparty to which it is party; and
- (c) for that Borrower to continue to own and operate the Ship owned by it,

and that Borrower will, and will procure that each Security Party will, comply with the terms of all such consents.

11.10 Maintenance of Security Interests

Each Borrower will:

- (a) at its own cost, do all that it reasonably can to ensure that any Finance Document validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a) above, at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar tax in all Pertinent Jurisdictions in respect of any Finance Document, give any notice or take any other step which, in the opinion of the Majority Lenders, is or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.11 Notification of litigation

Each Borrower will provide the Agent with details of any legal or administrative action involving that Borrower, any Security Party, any Approved Manager, the Ship owned by it, the Earnings or the Insurances in respect of that Ship as soon as such action is instituted or it becomes apparent to that Borrower that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document.

11.12 Principal place of business

Each Borrower will maintain its place of business, and keep its corporate documents and records, at the address stated in paragraph (a) of Clause 28.2 (*Addresses for communications*); and no Borrower will establish, or do anything as a result of which it would be deemed to have, a place of business in the United States or the United Kingdom or any country other than Greece.

11.13 Confirmation of no default

Each Borrower will, within 2 Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by an officer of each Borrower and which:

- (a) states that no Event of Default or Potential Event of Default has occurred; or
- (b) states that no Event of Default or Potential Event of Default has occurred, except for a specified event or matter, of which all material details are given.

The Agent may serve requests under this Clause 11.13 (*Confirmation of no default*) from time to time; this Clause 11.13 (*Confirmation of no default*) does not affect the Borrowers' obligations under Clause 11.14 (*Notification of default*).

11.14 Notification of default

Each Borrower will notify the Agent as soon as that Borrower becomes aware of the occurrence of an Event of Default or a Potential Event of Default and will thereafter keep the Agent fully up-to-date with all developments.

11.15 Provision of further information

Each Borrower will, as soon as practicable after receiving a request, provide the Agent with any additional financial or other information relating:

- (a) to that Borrower, the Ship owned by it, the Insurances, the Earnings or the Corporate Guarantor;
- (b) to any other matter relevant to, or to any provision of, a Finance Document; or
- (c) any information requested in respect of that Borrower, the Corporate Guarantor, the Shareholders and the Designated Unitholder in connection with the Creditor Parties' and/or the Account Bank's "Know your customer" regulations, including, but not limited to information required pursuant to all applicable laws and regulations, including, without limitation, the laws of the European Union, France and the United States of America in connection with that Borrower, the Corporate Guarantor and any other Security Party and their respective beneficial owners, which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.16 Provision of copies and translation of documents

Each Borrower will supply the Agent with a sufficient number of copies of the documents referred to above to provide 1 copy for each Creditor Party; if the Agent so requires in respect of any of those documents, that Borrower will provide a certified English translation prepared by a translator approved by the Agent.

11.17 "Know your customer" checks

If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (b) any change in the status of any Borrower or any Security Party after the date of this Agreement;
- (c) a proposed sale of any Ship; or

- (d) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (d), any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence (including for the purposes of paragraph (c) above such documentation and other evidence required in relation to any prospective buyer of a Ship provided that there will be a simultaneous closing for the release of such Ship) as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (d), on behalf of any prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (d), any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

11.18 Sanctions

- (a) None of the Borrowers and the Security Parties will, directly or indirectly, use the proceeds of the Loan hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or any other Person: (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, a Sanctioned Person or Sanctioned Country, or (ii) use in repayment of any moneys due to the Creditor Parties any Earnings of the Ships paid directly or indirectly from any activities or business of or with any Person, or in any country, territory or port, that, at the time of such payment, is, a Sanctioned Person or Sanctioned Country, or (iii) in any other manner that would result in a violation of Sanctions by any Borrower, any other Security Party or any other Person (including, any Creditor Party, whether acting as underwriter, advisor, investor, lender, hedge provider, facility or security agent or otherwise);
- (b) Without limiting paragraphs (a) and (b) of Clause 14.10 (*Compliance with laws etc.*), the Borrowers shall:
- (i) comply with, and shall use reasonable endeavours to ensure compliance with, all Sanctions (including, obtaining any applicable consents, authorisations or licenses) in respect to each Ship;
 - (ii) not cause or permit a Ship to be registered in a Sanctioned Country or used by or for the benefit of a Sanctioned Person;
 - (iii) not cause or permit a Ship to be used in or otherwise to go to, stop in or call at, a Sanctioned Country when such action is prohibited by Sanctions or would be in violation of Sanctions;
 - (iv) procure that the Ships shall not be used directly or indirectly in any transport of any goods prohibited by Sanctions;
 - (v) procure that the Ships shall not be used directly or indirectly in any manner which would expose the Ships, any Security Party, any Additional Charterer, any Collateral Charterer, any Existing Charterer, crew or the insurers to enforcement proceedings or any other consequences whatsoever arising from Sanctions;

- (vi) procure that the Ships shall not be used or traded directly or indirectly in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances and/or re-insurance of the Ships;
- (vii) not cause or permit a Ship to be operated by a charterer or, to the best of their knowledge, sub-charterer whose state of incorporation and/or principal place of business is in a Sanctioned Country and/or is a Sanctioned Person;
- (viii) ensure that any charterparty (including, any sub-charterparty) in respect of a Ship shall contain, contractual language which has the effect of prohibiting the use of a Ship in violation of any Sanctions; and
- (ix) not cause or permit a Ship to be used in any manner or business which is prohibited by applicable anti-corruption, anti-money laundering, countering the financing of terrorism, and export and import laws and regulations.

11.19 Hedging of interest rate risks – Right of first refusal

The Borrowers hereby grant to the Lenders a right of first refusal for the purpose of hedging any part of the interest rate risk under this Agreement throughout the Security Period. In the event that the Borrowers decide to hedge their exposure under this Agreement, they shall enter into such documentation as may be required by the relevant Lender (in such capacity the “**Swap Bank**”) and the provisions of this Agreement will be amended to incorporate the amendments required, including, but not limited to, Clause 18 (*Application of Receipts*) reflecting *pari passu* sharing in the security and receipts between the Lenders and the Swap Bank.

11.20 Minimum Liquidity

Each Borrower shall maintain in its Earnings Account credit balances (“**Minimum Liquidity**”) in an amount of not less than \$500,000, commencing from the Drawdown Date and at all times thereafter throughout the Security Period.

11.21 No amendment to the Existing Charters, the Additional Charters and the Collateral Charters

- (a) No Borrower will agree to any material amendment (and for, the avoidance of doubt, “material” to mean any amendment which may detrimentally affect the interests of any Creditor Party) or supplement to, or waive or fail to enforce, any Existing Charter or any of its provisions.
- (b) The Borrowers shall procure that no Additional Provider and no Collateral Provider will agree to any material amendment (and for, the avoidance of doubt, “material” to mean any amendment which may detrimentally affect the interests of any Creditor Party) or supplement to, or waive or fail to enforce, any Additional Charter and any Collateral Charter, respectively, or any of their provisions.

11.22 Use of websites

- (a) Each Borrower acknowledges and agrees that any information under this Agreement may be delivered to a Lender (through the Agent) on to an electronic website (a “**Website Lender**”) if:
 - (i) the Agent and the Lender agree;

- (ii) the Agent appoints a website provider and designates an electronic website for this purpose (the “**Designated Website**”);
 - (iii) the Designated Website is used for communication between the Agent and the Lenders;
 - (iv) the Agent notifies the Lenders of the address for the website;
 - (v) the information can only be posted on the website by the Agent; and
 - (vi) the information posted is in a format agreed between each Borrower and the Agent.
- (b) The cost of the website shall be borne by each Borrower, subject to such cost being agreed by each Borrower beforehand.
- (c) Any Website Lender may request from any Borrower, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website and each Borrower shall at its own cost comply with any such request within ten Business Days.

12 CORPORATE UNDERTAKINGS

12.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 12 (*Corporate Undertakings*) at all times during the Security Period except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit.

12.2 Maintenance of status

- (a) Each of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower G, Borrower H and Borrower I will maintain its separate corporate existence and remain in good standing under the laws of the Republic of the Marshall Islands.
- (b) Borrower F will maintain its separate corporate existing under the laws of the Kingdom of Belgium.

12.3 Negative undertakings

No Borrower will:

- (a) carry on any business other than the ownership, chartering and operation of the Ship owned by it and in relation to Borrower F the Ships and other vessels owned by it; or
- (b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital if:
- (i) an Event of Default has occurred at such time; or
 - (ii) an Event of Default would occur as a direct result of such distribution, redemption, purchase or return; or

- (c) provide any form of credit or financial assistance or issue guarantees in favour of any other corporation or individual other than in the normal course of its business **Provided that** that corporation or individual to whom any form of credit or financial assistance has been granted or in favour of whom the guarantee has been issued fully subordinates its rights to the rights of the Creditor Parties under the Finance Documents on terms acceptable to the Agent;
- (d) provide any form of credit or financial assistance to:
 - (i) a person who is directly or indirectly interested in that Borrower's share or loan capital; or
 - (ii) any company in or with which such a person is directly or indirectly interested or connected,or enter into any transaction with or involving such a person or company on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length; or
- (e) open or maintain any account with any bank or financial institution except accounts with the Account Bank for the purposes of the Finance Documents and any accounts disclosed to the Agent on or prior to the date of this Agreement; or
- (f) issue, allot or grant any person a right to any shares in its capital or repurchase or reduce its issued share capital; or
- (g) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks, or enter into any transaction in a derivative other than for hedging of the Loan, save in relation to Borrower F, in the ordinary course of its business in chartering, operating and trading vessels; or
- (h) enter into any form of amalgamation, merger or de-merger or any form of reconstruction or reorganisation.

13 INSURANCE

13.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 13 (*Insurance*), from the Drawdown Date and throughout the term of the Security Period, except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

13.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it, at all times during the Security Period, insured at the expense of that Borrower against:

- (a) fire and usual marine risks (including hull and machinery and excess risks); and
- (b) war risks; and
- (c) protection and indemnity risks, meaning the usual risks including liability for oil pollution and excess war risk P&I cover; and

- (d) any other risks against which the Lenders consider, having regard to practices and other circumstances prevailing at the relevant time, it would in the opinion of the Lenders be reasonable for that Borrower to insure and which are specified by the Security Trustee by notice to that Borrower.

13.3 Terms of obligatory insurances

Each Borrower shall effect such insurances:

- (a) in dollars;
- (b) in the case of fire and usual marine risks and war risks, in such amounts as shall from time to time be approved by the Agent but in any event in an amount not less than the greater of (i) the Market Value of the Ship owned by it and (ii) an amount which, when aggregated with the amount for which the other Ships then subject to a Mortgage is insured, is equal to 120 per cent. of the Loan; and
- (c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry (with the International Group of P&I Clubs) and the international marine insurance market (currently \$1,000,000,000);
- (d) in relation to protection and indemnity risks in respect of the relevant Ship's full value and tonnage;
- (e) on such terms as shall from time to time be approved in writing by the Agent (including, without limitation, a blocking and trapping clause); and
- (f) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations which are members of the International Group of Protection and Indemnity Associations.

13.4 Further protections for the Creditor Parties

In addition to the terms set out in Clause 13.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances shall:

- (a) subject always to paragraph (b), name that Borrower as the sole named assured unless the interest of every other named assured is limited:
 - (i) in respect of any obligatory insurances for hull and machinery and war risks;
 - (A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and
 - (B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and
 - (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;

- (b) name (or be amended to name) the Security Trustee as mortgagee for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (c) name the Security Trustee as sole loss payee with such directions for payment as the Security Trustee may specify;
- (d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (e) provide that the insurers shall waive, to the fullest extent permitted by English law, their entitlement (if any) (whether by statute, common law, equity, or otherwise) to be subrogated to the rights and remedies of the Security Trustee in respect of any rights or interests (secured or not) held by or available to the Security Trustee in respect of the Secured Liabilities, until the Secured Liabilities shall have been fully repaid and discharged, except that the insurers shall not be restricted by the terms of this paragraph (d) from making personal claims against persons (other than any Borrower or any Creditor Party) in circumstances where the insurers have fully discharged their liabilities and obligations under the relevant obligatory insurances;
- (f) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Trustee;
- (g) provide that the Security Trustee may make proof of loss if that Borrower fails to do so; and
- (h) provide that if any obligatory insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Security Trustee, or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, charge or lapse shall not be effective with respect to the Security Trustee for 30 days (or 7 days in the case of war risks) after receipt by the Security Trustee of prior written notice from the insurers of such cancellation, change or lapse.

13.5 Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 14 days before the expiry of any obligatory insurance:
 - (i) notify the Security Trustee of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Borrower proposes to renew that insurance and of the proposed terms of renewal; and
 - (ii) in case of any substantial change in insurance cover, obtain the Lenders' approval to the matters referred to in paragraph (i) above;
- (b) at least 7 days before the expiry of any obligatory insurance, renew the insurance; and
- (c) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal.

13.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that all approved brokers provide the Security Trustee with copies of all policies relating to the obligatory insurances which they effect or renew and of a letter or letters or undertaking in a form required by the Lenders and including undertakings by the approved brokers that:

- (a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 13.4 (*Further protections for the Creditor Parties*);
- (b) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause;
- (c) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances;
- (d) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from that Borrower or its agents and, in the event of their receiving instructions to renew, they will promptly notify the Security Trustee of the terms of the instructions; and
- (e) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by it under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies or, any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Ship forthwith upon being so requested by the Security Trustee.

13.7 Copies of certificates of entry

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by it is entered provides the Security Trustee with:

- (a) a certified copy of the certificate of entry for that Ship; and
- (b) a letter or letters of undertaking in such form as may be required by the Lenders; and
- (c) where required to be issued under the terms of insurance/indemnity provided by that Borrower's protection and indemnity association, a certified copy of each United States of America voyage quarterly declaration (or other similar document or documents) made by that Borrower in relation to that Ship in accordance with the requirements of such protection and indemnity association; and
- (d) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to that Ship.

13.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.

13.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Restrictions on employment

No Borrower shall employ the Ship owned by it, nor permit her to be employed, outside the cover provided by any obligatory insurances.

13.12 Compliance with terms of insurances

No Borrower shall either do or omit to do (or permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable thereunder repayable in whole or in part; and in particular:

- (a) each Borrower shall take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in paragraph (c) of Clause 13.6 (*Copies of policies; letters of undertaking*) above) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;
- (b) no Borrower shall make any changes relating to the classification or the Classification Society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
- (c) each Borrower shall make all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and
- (d) no Borrower shall employ the Ship owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances (including but not limited to any applicable laws and Sanctions), without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.13 Alteration to terms of insurances

No Borrower shall make or agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance without the prior written consent of the Security Trustee.

13.14 Settlement of claims

No Borrower shall settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

13.15 Provision of copies of communications

Each Borrower shall provide the Security Trustee, at the time of each such communication, copies of all written communications in case of, but not limited to, an Event of Default, Total Loss or Major Casualty between that Borrower and:

- (a) the approved brokers; and
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:
 - (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

13.16 Provision of information

In addition, each Borrower shall promptly provide the Security Trustee (or any persons which it may designate) with any information which the Security Trustee (or any such designated person) requests for the purpose of:

- (a) obtaining or preparing any report from an independent marine insurance broker appointed by the Agent as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
- (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.17 (*Mortgagee's interest and additional perils insurances*) below or dealing with or considering any matters relating to any such insurances,

and that Borrower shall, forthwith upon demand, indemnify the Security Trustee in respect of all fees and other expenses incurred by or for the account of the Security Trustee in connection with any such report as is referred to in paragraph (a) above.

13.17 Mortgagee's interest and additional perils insurances

The Security Trustee shall effect, maintain and renew all or any of the following insurances in such amounts, on such terms, through such insurers and generally in such manner as the Lenders may from time to time consider appropriate:

- (a) a mortgagee's interest marine insurance in relation to the Ships in an amount equal to 110 per cent. of the Loan, providing for the indemnification of the Creditor Parties for any losses under or in connection with any Finance Document which directly or indirectly result from loss of or damage to a Ship or a liability of that Ship or of the Borrower owning that Ship, being a loss or damage which is prima facie covered by an obligatory insurance but in respect of which there is a non-payment (or reduced payment) by the underwriters by reason of, or on the basis of an allegation concerning:
- (i) any act or omission on the part of that Borrower, of any operator, charterer, manager or sub-manager of that Ship or of any officer, employee or agent of that Borrower or of any such person, including any breach of warranty or condition or any non-disclosure relating to such obligatory insurance;
 - (ii) any act or omission, whether deliberate, negligent or accidental, or any knowledge or privity of that Borrower, any other person referred to in paragraph (i) above, or of any officer, employee or agent of that Borrower or of such a person, including the casting away or damaging of that Ship and/or that Ship being unseaworthy; and/or
 - (iii) any other matter capable of being insured against under a mortgagee's interest marine insurance policy whether or not similar to the foregoing;
- (b) a mortgagee's interest additional perils policy in relation to the Ships in an amount equal to 110 per cent. of the Loan, providing for the indemnification of the Security Trustee against, among other things, any possible losses or other consequences of any Environmental Claim, including the risk of expropriation, arrest or any form of detention of a Ship, the imposition of any Security Interest over that Ship and/or any other matter capable of being insured against under a mortgagee's interest additional perils policy whether or not similar to the foregoing, and the Borrowers shall upon demand fully indemnify the Security Trustee in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

13.18 Review of insurance requirements

The Lenders shall be entitled to review the requirements of this Clause 13 from time to time in order to take account of any changes in circumstances after the date of this Agreement which are, in the opinion of the Lenders, significant and capable of affecting any Borrower or any Ship and its or their Insurances (including, without limitation, changes in the availability or the cost of Insurances or the risks to which the Borrower owning that Ship may be subject), and may appoint insurance consultants in relation to this review at the cost of the Borrowers, such review to be carried out at the Agent's request, at any time during the Security Period if the Agent (acting on the instructions of the Lenders) considers necessary (the reasonable fees of the insurance consultants to conduct such review shall be deducted from the Earnings Accounts (or any of them) and each Borrower hereby agrees to arrange the transfer of monies from its Earnings Account in order to pay such fees) **Provided that** the Borrowers shall not be required to pay the fees of the insurance consultants to conduct such review more often than once a year unless an Event of Default has occurred and is continuing, or unless a change in the terms of the cover of any Ship has occurred.

13.19 Modification of insurance requirements

The Security Trustee shall notify the Borrowers of any proposed modification under Clause 13.18 (*Review of insurance requirements*) to the requirements of this Clause 13 (*Insurance*) which the Lenders consider appropriate in the circumstances, and such modification shall take effect on and from the date it is notified in writing to the Borrowers as an amendment to this Clause 13 (*Insurance*) and shall bind the Borrowers accordingly.

13.20 Compliance with mortgagee's instructions

The Security Trustee shall be entitled (without prejudice to or limitation of any other rights which it may have or acquire under any Finance Document) to require a Ship to remain at any safe port or to proceed to and remain at any safe port designated by the Security Trustee until the Borrower owning that Ship implements any amendments to the terms of the obligatory insurances and any operational changes required as a result of a notice served under Clause 13.19 (*Modification of insurance requirements*).

14 SHIP COVENANTS

14.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 14 (*Ship covenants*), at all times during the Security Period, except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit in writing.

14.2 Ship's name and registration

Each Borrower shall keep the Ship owned by it registered in its name under an Approved Flag; shall not do or allow to be done anything as a result of which such registration might be cancelled or imperilled; and shall not change the name or port of registry of that Ship without the prior written consent of the Agent, which shall not be unreasonably withheld or delayed, and shall remain acceptable to the Agent at all times.

14.3 Repair and classification

Each Borrower shall keep the Ship owned by it in a good, safe and seaworthy condition and state of repair:

- (a) consistent with first-class ship ownership and management practice;
- (b) so as to maintain the highest class with a Classification Society which is a member of IACS acceptable to the Agent (acting with the authorisation of the Lenders) free of overdue recommendations and conditions of such Classification Society;
- (c) so as to comply with all laws and regulations applicable to vessels registered at ports of the Approved Flag State or to vessels trading to any jurisdiction to which such Ship may trade from time to time, including but not limited to the ISM Code and the ISM Code Documentation and the ISPS Code; and
- (d) each Borrower shall use its best efforts to allow the Agent (or its agents), at any time, to inspect the original class and related records of that Borrower and the Ship owned by it electronically (through the Classification Society directly) and to take copies of such records.

14.4 Modification

No Borrower shall make any modification or repairs to, or replacement of, the Ship or equipment installed on the Ship owned by it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

14.5 Removal of parts

No Borrower shall remove any material part of the Ship owned by it, or any item of equipment installed on, that Ship unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Security Interest or any right in favour of any person other than the Security Trustee and becomes on installation on the relevant Ship the property of that Borrower and subject to the security constituted by the relevant Mortgage **Provided that** each Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to its Ship.

14.6 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Lenders provide the Security Trustee, with copies of all survey reports.

14.7 Technical Survey

Without prejudice to each Borrower's obligations pursuant to Clause 14.6 (*Surveys*), each Borrower promptly following the request of the Agent will, submit the Ship for a technical survey by an independent surveyor or surveyors appointed by the Agent (provided such technical survey does not interfere with the ordinary trading of the Ship owned by it). All fees and expenses incurred in relation to the appointment of the surveyor or surveyors and the preparation and issue of all technical reports pursuant to this Clause 14.7 (*Technical Survey*) shall be for the account of the Borrowers.

14.8 Inspection

Each Borrower shall permit the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all times (but in any event without interfering with the ordinary trading of the Ship owned by it) to inspect its condition or to satisfy themselves about proposed or executed repairs, shall afford all proper facilities for such inspections and pay to the Agent the amount of all fees, costs and expenses incurred in respect of such inspections **Provided that** so long as no Event of Default shall have occurred that Borrower shall not be obliged to pay any fees and expenses in respect of more than one inspection of its Ship in any calendar year.

14.9 Prevention of and release from arrest

Each Borrower shall promptly discharge:

- (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Ship owned by it, the Earnings or the Insurances;
- (b) all taxes, dues and other amounts charged in respect of the Ship owned by it, the Earnings or the Insurances; and
- (c) all other outgoings whatsoever in respect of the Ship owned by it, the Earnings or the Insurances,

and, forthwith upon receiving notice of the arrest of that Ship, or of her detention in exercise or purported exercise of any lien or claim, that Borrower shall procure her release by providing bail or otherwise as the circumstances may require.

14.10 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with all laws, rules 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 (including, for the avoidance of doubt, by an Approved Manager), the ISPS Code, all Environmental Laws, all Sanctions and the laws of the Approved Flag State;
- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any environmental approvals;
- (c) without limiting paragraph (a) above, not employ any Ship nor allow its employment, operation or management in any manner contrary to any law, regulation or rule, including, but not limited to the ISM Code, the ISPS Code, all Environmental Laws and all Sanctions; and
- (d) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit it to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers unless the prior written consent of the Lenders has been given and that Borrower has (at its expense) effected any special, additional or modified insurance cover which the Lenders may require.

14.11 Provision of information

Each Borrower shall promptly provide the Security Trustee with any information which the Lenders request regarding:

- (a) the Ship owned by it, its employment, position and engagements;
- (b) the Earnings and payments and amounts due to that Ship's master and crew of that Ship;
- (c) any expenses incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made in respect of that Ship;
- (d) any towages and salvages;
- (e) any intended dry-docking of that Ship;
- (f) that Borrower's, an Approved Manager's compliance or the compliance of that Ship with the ISM Code and the ISPS Code; and
- (g) any other information which the Creditor Parties (or any of them) may reasonably request,

and, upon the Security Trustee's request, provide copies of any current charter relating to that Ship, and copies of that Borrower's or any Approved Manager's Document of Compliance or any other document issued under ISM Code Documentation.

14.12 Notification of certain events

Each Borrower shall immediately notify the Security Trustee by letter of:

- (a) any casualty which is or is likely to be or to become a Major Casualty;
- (b) any occurrence as a result of which the Ship owned by it has become or is, by the passing of time or otherwise, likely to become a Total Loss;
- (c) any requirement or recommendation made by any insurer or Classification Society or by any competent authority which is not complied with in accordance with its terms;
- (d) any arrest or detention of the Ship owned by it, any exercise or purported exercise of any lien on the Ship or its Earnings or any requisition of such Ship for hire;
- (e) any dry docking of the Ship owned by it;
- (f) any Environmental Claim made against that Borrower or in connection with the Ship owned by it, or any Environmental Incident;
- (g) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, an Approved Manager or otherwise in connection with the Ship owned by it; or
- (h) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with,

and that Borrower shall keep the Security Trustee advised in writing on a regular basis and in such detail as the Security Trustee shall require of that Borrower's, any Approved Manager's or any other person's response to any of those events or matters.

14.13 Restrictions on chartering, appointment of managers etc.

No Borrower shall, in relation to the Ship owned by it:

- (a) let that Ship on demise charter for any period without the prior written consent of the Agent, acting with the authorisation of the Lenders;
- (b) enter into any time or consecutive voyage charter in respect of that Ship for a term which exceeds, or which by virtue of any optional extensions may exceed, 12 months except as the Agent may consent, such consent not to be unreasonably withheld;
- (c) enter into any charter in relation to that Ship under which more than 2 months' hire (or the equivalent) is payable in advance;
- (d) charter that Ship otherwise than on bona fide arm's length terms at the time when that Ship is fixed;
- (e) appoint a manager of that Ship other than an Approved Manager or agree to any material alteration to the terms of an Approved Manager's appointment which could lead to an Event of Default ("material alterations" to include, without limitation, alterations concerning fees, duration and parties);
- (f) de-activate or lay up that Ship; or

- (g) put that Ship into the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless that person has first given to the Security Trustee and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or her Earnings for the cost of such work or otherwise.

14.14 Notice of Mortgage

Each Borrower shall keep the Mortgage relative to its Ship registered against its Ship as a valid first priority or as the case may be preferred mortgage, carry on board that Ship a certified copy of that Mortgage and place and maintain in a conspicuous place in the navigation room and the Master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Trustee.

14.15 Sharing of Earnings

No Borrower shall:

- (a) enter into any agreement or arrangement for the sharing of any Earnings;
- (b) enter into any agreement or arrangement for the postponement of any date on which any Earnings are due; or for the reduction of the amount of any Earnings or otherwise for the release or adverse alteration of any right of that Borrower to any Earnings; or
- (c) enter into any agreement or arrangement for the release of, or adverse alteration to, any guarantee or Security Interest relating to any Earnings other than customary profit sharing arrangements in time charter contracts.

14.16 Charterparty Assignment

- (a) If a Borrower enters into any Charterparty, that Borrower shall, at the request of the Agent, execute in favour of the Security Trustee a Charterparty Assignment, and shall deliver to the Agent such other documents equivalent to those referred to at paragraphs 3, 4 and 5 of Part A and 1 of Part B of Schedule 3 (*Condition Precedent Documents*) hereof as the Agent may require.
- (b) If an Additional Provider is required to enter into a Charterparty Assignment in accordance with the terms of the Corporate Guarantee, it shall execute in favour of the Security Trustee a Charterparty Assignment, and shall deliver to the Agent such other documents equivalent to those referred to at paragraphs 3, 4 and 5 of Part A and 1 of Part B of Schedule 3 (*Condition Precedent Documents*) hereof or otherwise as the Agent may require.

14.17 ISM Code, ISPS Code compliance and Environmental Laws

All requirements of the ISM Code, ISPS Code and Environmental Laws as they relate to each Borrower, an Approved Manager, if and when applicable, the Ship owned by the relevant Borrower shall be complied with at all times.

14.18 Poseidon Principles

Each Borrower shall, upon the request of any Lender and at the cost of the Borrowers, on or before 31st July in each calendar year, supply or procure the supply by the relevant Classification Society (as specified by the relevant Lender) to the Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Ship owned by it for the preceding calendar year provided always that, for the avoidance of doubt, such information shall be “Confidential Information” for the purposes of Clause 30.1 (*Confidential Information*) but the Borrowers acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender’s portfolio climate alignment.

14.19 Russian Price Cap Framework Undertaking

The Borrowers shall not, and shall procure that the Corporate Guarantor and the Collateral Charterers shall not, use, cause or permit the Ships and the Collateral Ships to be used in a way that would result in a violation of Sanctions (including, without limitation, the implementation and interpretation of the provisions of Article 3n of Council Regulation (E.U.) No 833/2014 and US Executive Order 14071 and Determinations thereunder (the “**Russian Price Cap Framework**”), in each case related to the maritime transportation of oil or petroleum products of Russian Federation origin or exported from Russia (“**Russian Oil Products**”) by them, any Additional Charterer, Collateral Charterer, Existing Charterer, charterer, Creditor Party or, to the best of their knowledge, any sub-charterer or shipper.

14.20 Specific Price Cap Undertaking

- (a) The Borrowers shall and shall procure that the Collateral Charterers shall provide to the Agent:
- (i) on 31 January and 31 July each year, with reference to the period of six months ending on the preceding 31 December or 30 June an attestation in the form set out in Schedule 10 (*Form of Attestation*) duly signed by an officer and/or, as applicable, director of each Borrower and each Collateral Charterer; and
 - (ii) on completion of every voyage to a port located in Russia, an attestation from any charterer of a Ship or a Collateral Ship in a form satisfactory to the Lenders that, *inter alia*, any Russian Oil Products loaded onto any of the Ships and the Collateral Ships during the above-referenced voyage were purchased at or below any applicable cap pursuant to the Russian Price Cap Framework.
- (b) The Agent shall provide to the Lenders the attestation referred to in paragraph (a) above as soon as practicable after it receives it from the Borrowers and/or Collateral Charterers.

15 SECURITY COVER

15.1 Minimum required security cover

Clause 15.2 (*Provision of additional security; prepayment*) applies if the Agent notifies the Borrowers that the Security Cover Ratio is below 125 per cent.

15.2 Provision of additional security; prepayment

- (a) If the Agent serves a notice on the Borrowers under Clause 15.1 (*Minimum required security cover*), the Borrowers shall prepay such part (at least) of the Loan as will eliminate the shortfall on or before the date falling 1 month after the date on which the Agent's notice is served under Clause 15.1 (*Minimum required security cover*) (the "**Prepayment Date**") unless at least 1 Business Day before the Prepayment Date it has provided, or ensured that a third party has provided, additional security which, in the reasonable opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall.
- (b) In this Clause 15.2 (*Provision of additional security; prepayment*) "**security**" means a Security Interest over an asset or assets (whether securing a Borrower's liabilities under the Finance Documents or a guarantee in respect of those liabilities), or a guarantee, letter of credit or other security (including any cash pledged to the Security Trustee) in respect of that Borrower's liabilities under the Finance Documents.

15.3 Requirement for additional documents

The Borrowers shall not be deemed to have complied with Clause 15.2 (*Provision of additional security; prepayment*) above until the Agent has received in connection with the additional security certified copies of documents of the kinds referred to in paragraphs 3, 4 and 5 of Part A of Schedule 3 (*Condition Precedent Documents*) and such legal opinions in terms acceptable to the Majority Lenders from such lawyers as they may select.

15.4 Valuation of Ship

The market value of a Ship at any date is that shown in a valuation prepared:

- (a) as at a date not more than 30 days previously;
- (b) by an Approved Broker selected by the Borrowers and appointed by the Agent (unless the Borrowers have not nominated an Approved Broker within seven Business Days of the Agent's request in which case the Agent will be entitled to select and appoint an Approved Broker);
- (c) with or without physical inspection of that Ship (as the Agent may require); and
- (d) on the basis of a sale for prompt delivery for cash on normal arm's length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment (as the Agent may require).

15.5 Value of additional security

The net realisable value of any additional security which is provided under Clause 15.1 and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.4 (*Valuation of Ship*).

15.6 Valuations binding

Any valuation under Clause 15.2 (*Provision of additional security; prepayment*), 15.4 (*Valuation of Ship*) or 15.5 (*Value of additional security*) shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of a security which does not consist of or include a Security Interest.

15.7 Provision of information

The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.4 (*Valuation of Ship*) or 15.5 (*Value of additional security*) with any information which the Agent or the Approved Broker or expert may request for the purposes of the valuation; and, if the Borrowers fail to provide the information by the date specified in the request, the valuation may be made on any basis and assumptions which the Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.8 Payment of valuation expenses

Without prejudice to the generality of the Borrowers' obligations under Clauses 20.3 (*Costs of negotiation, preparation etc.*) and 20.4 (*Costs of variations, amendments, enforcement etc.*), the Borrowers shall, on demand, pay the Agent the amount of the fees and expenses of any Approved Broker or expert instructed by the Agent under this Clause and all legal and other expenses incurred by any Creditor Party in connection with any matter arising out of this Clause **Provided that** so long as no Event of Default shall have occurred and is continuing and so long as all valuations of each Ship commissioned by the Agent for the purposes of this Clause 15 (*Security Cover*) confirm that the Borrowers have satisfied the test in Clause 15.1 (*Minimum required security cover*), no Borrower shall be obliged to pay the fees and expenses in respect of more than one valuation or (as applicable) one set of valuations of the Ship owned by it in any calendar year.

15.9 Frequency of valuations

The Borrowers acknowledge and agree that the Agent may commission valuation(s) of any Ship at such times as the Agent may reasonably request (including, without limitation, on the occurrence of any breach of obligation under this Agreement, any Finance Document or any other relevant documentation in connection therewith) and, in any event not less than once in any calendar year, on 31 December of the relevant year.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments

All payments to be made:

- (a) by the Lenders to the Agent; or
- (b) by any Borrower to the Bookrunner, the Co-ordinator, the Mandated Lead Arrangers, the Agent, the Security Trustee or any Lender, under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:
 - (i) by not later than 11.00 a.m. (New York City time) on the due date;
 - (ii) in same day dollar funds settled through the New York Clearing House Interbank Payments System (or in such other dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);

- (iii) to the account of the Agent, as the Agent may from time to time notify to the Borrowers and the other Creditor Parties; and
- (iv) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 Payment on non-Business Day

If any payment by any Borrower under a Finance Document would otherwise fall due on a day which is not a Business Day:

- (a) the due date shall be extended to the next succeeding Business Day; or
- (b) if the next succeeding Business Day falls in the next calendar month, the due date shall be brought forward to the immediately preceding Business Day,
and interest shall be payable during any extension under paragraph (a) at the rate payable on the original due date.

16.3 Basis for calculation of periodic payments

- (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; 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 a Borrower under a Finance Document shall be rounded to two decimal places

16.4 Distribution of payments to Creditor Parties

Subject to Clauses 16.5 (*Permitted deductions by Agent*), 16.6 (*Agent only obliged to pay when monies received*) and 16.7 (*Refund to Agent of monies not received*):

- (a) any amount received by the Agent under a Finance Document for distribution or remittance to a Lender or the Security Trustee shall be made available by the Agent to that Lender or, as the case may be, the Security Trustee by payment, with funds having the same value as the funds received, to such account as the Lender or the Security Trustee may have notified to the Agent not less than 5 Business Days previously; and
- (b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 Permitted deductions by Agent

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 Agent only obliged to pay when monies received

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to the Borrowers or any Lender any sum which the Agent is expecting to receive for remittance or distribution to the Borrowers or that Lender until the Agent has satisfied itself that it has received that sum.

16.7 Refund to Agent of monies not received

If and to the extent that the Agent makes available a sum to the Borrowers or a Lender, without first having received that sum, the Borrowers or (as the case may be) the Lender concerned shall, on demand:

- (a) refund the sum in full to the Agent; and
- (b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 Agent may assume receipt

Clause 16.7 (*Refund to Agent of monies not received*) shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 Creditor Party accounts

Each Creditor Party shall maintain accounts showing the amounts owing to it by the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.10 Agent's memorandum account

The Agent shall maintain a memorandum account showing the amounts advanced by the Lenders and all other sums owing to the Agent, the Security Trustee and each Lender from the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.11 Accounts prima facie evidence

If any accounts maintained under Clauses 16.9 (*Creditor Party accounts*) and 16.10 (*Agent's memorandum account*) show an amount to be owing by a Borrower or a Security Party to a Creditor Party, those accounts shall be prima facie evidence that that amount is owing to that Creditor Party.

17 APPLICATION OF EARNINGS

17.1 Payment of Earnings

Each of the Borrowers undertakes, with each Creditor Party that, throughout the Security Period (subject only, in relation to each Borrower, to the provisions of the General Assignment to which it is party):

- (a) it shall, and procures that each Collateral Provider shall, maintain the Accounts opened in its or the relevant Collateral Provider's name (whether individually or jointly) with the Account Bank;
- (b) it shall ensure that all Earnings of the Ship owned by it are paid to the Earnings Account for that Ship;
- (c) it shall procure that each Collateral Provider shall ensure that all Earnings of each Collateral Ship are paid to the Earnings Account for that Collateral Ship; and
- (d) the Minimum Liquidity amounts required to be maintained pursuant to Clause 11.20 (*Minimum Liquidity*) shall be maintained in the relevant Earnings Account of the Ships.

17.2 Monthly retentions

Each of the Borrowers undertakes with each Creditor Party to ensure that, on and from the date falling one month after the Drawdown Date and at monthly intervals thereafter during the Security Period, there are transferred to the Retention Account out of the Earnings received in the Earnings Accounts during the preceding month:

- (a) one-third of the amount of the relevant Repayment Instalment falling due under Clause 8.1 (*Amount of repayment instalments*) on the next Repayment Date; and
- (b) the relevant fraction of the Estimated Interest Amount in respect of the then current Interest Period, and the Borrowers irrevocably authorise the Agent to make those transfers if the Borrowers fail to do so.

The “**relevant fraction**”, in relation to paragraph (b), is a fraction of which the numerator is 1 and the denominator the number of months comprised in the then current Interest Period (or if the current Interest Period in respect of the Loan ends after the next due date for payment of interest under this Agreement, the number of months from the later of the commencement of the current Interest Period in respect of the Loan or the last due date for payment of interest to the next due date for payment of interest in respect of the Loan under this Agreement).

17.3 Estimated Interest Amount

- (a) The Agent shall, promptly upon an Estimated Interest Amount being determinable, notify the Borrowers of that Estimated Interest Amount.
- (b) If:
 - (i) the Estimated Interest Amount in respect of any Interest Period is less than the interest payable in accordance with Clause 5.1 (*Calculation of interest*) for that Interest Period the Borrowers shall ensure that there is transferred to the Retention Account an amount equal to such shortfall on or before the last day of that Interest Period; and

- (ii) the Estimated Interest Amount paid into the Retention Account in accordance with Clause 17.2 (*Monthly retentions*) in respect of any Interest Period is more than the interest payable in accordance with Clause 5.1 (*Calculation of interest*) for that Interest Period, the Estimated Interest Amount in respect of the immediately following Interest Period shall be reduced by the amount of such excess.
- (c) The amount (if any) by which the Estimated Interest Amount paid into the Retention Account in accordance with Clause 17.2 (*Monthly retentions*) in respect of the final Interest Period exceeds any interest paid in accordance with Clause 5.1 (*Calculation of interest*) for that Interest Period shall, to the extent not previously applied pursuant to Clause 17.5 (*Application of retentions*), be released to the Borrowers at the end of the Security Period.

17.4 Shortfall in Earnings

If the aggregate Earnings received in an Earnings Account are insufficient at any time for the required amount to be transferred to the Retention Account under Clause 17.2 (*Monthly retentions*), the Borrowers shall immediately pay the amount of the insufficiency into the Retention Account.

17.5 Application of retentions

Until an Event of Default or a Potential Event of Default occurs, the Agent shall, to the extent there are sufficient funds standing to the credit of the Retention Account, on each Repayment Date and on each due date for the payment of interest under this Agreement distribute to the Lenders in accordance with Clause 16.4 (*Distribution of payments to Creditor Parties*) so much of the then balance on the Retention Account as equals:

- (a) the Repayment Instalment due on that Repayment Date pursuant to Clause 8.1 (*Amount of repayment instalments*); or
- (b) the amount of interest in respect of the Loan payable on that interest payment date, in discharge of the Borrowers' liability for that Repayment Instalment or that interest.

17.6 Application of Earnings

Each Borrower undertakes with the Lenders that money from time to time credited to, or for the time being standing to the credit of, its Earnings Account shall (i) unless and until an Event of Default shall have occurred (whereupon the provisions of Clause 18.1 (*Normal order of application*) shall be and become applicable) or (ii) unless otherwise agreed in writing between the Borrowers and the Agent, be available for application in the following manner:

- (a) in or towards making payments of all amounts due and payable by the Borrowers under this Agreement (other than payments of principal and interest);
- (b) in or towards satisfaction of all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents;
- (c) in or towards satisfaction of the Loan;

- (d) in or towards making payments of all fees due to an Approved Manager and thereafter meeting the costs and expenses from time to time incurred by or on behalf of a Borrower in connection with the operation of the Ship owned by it; and
- (e) as to any surplus from time to time arising on an Earnings Account following application as aforesaid, to be paid to the Borrower owning that Ship or to whomsoever it may direct.

17.7 Location of account

Each Borrower shall promptly:

- (a) comply with any requirement of the Agent as to the location or re-location of its Earnings Account; and
- (b) execute any documents which the Agent specifies to create or maintain in favour of the Security Trustee a Security Interest over (and/or rights of set-off, consolidation or other rights in relation to) the Accounts.

17.8 Debits for expenses etc.

The Agent shall be entitled (but not obliged) from time to time to debit the Earnings Accounts without prior notice in order to discharge any amount due and payable under Clause 20 (*Fees and Expenses*) or 21 (*Indemnities*) to a Creditor Party or payment of which any Creditor Party has become entitled to demand under Clause 20 (*Fees and Expenses*) or 21 (*Indemnities*).

17.9 Borrowers' obligations unaffected

The provisions of this Clause 17 (*Application of Earnings*) (as distinct from a distribution effected under Clause 17.5 (*Application of retentions*)) do not affect:

- (a) the liability of the Borrowers to make payments of principal and interest on the due dates; or
- (b) any other liability or obligation of the Borrowers or any Security Party under any Finance Document.

17.10 Restriction on withdrawal

During the Security Period no sum may be withdrawn by a Borrower from the Retention Account.

18 APPLICATION OF RECEIPTS

18.1 Normal order of application

Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

- (a) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following proportions:
 - (i) first, in or towards satisfaction *pro rata* of all amounts then due and payable to the Agent and the Security Trustee under the Finance Documents other than those amounts referred to at (ii) and (iii) below (including, but without limitation, all amounts payable by any Borrower under Clauses 20 (*Fees and Expenses*), 21 (*Indemnities*) and 22 (*No Set-off or Tax Deduction*) of this Agreement or by any Borrower or any Security Party under any corresponding or similar provision in any other Finance Document);

- (ii) secondly, in or towards satisfaction *pro rata* of any and all amounts of interest or default interest due and payable to the Creditor Parties under the Finance Documents; and
 - (iii) thirdly, in or towards satisfaction of the Loan;
- (b) SECONDLY: in retention of an amount equal to any amount not then due and payable under any Finance Document but which the Agent, by notice to the Borrowers (or any of them), the Security Parties and the other Creditor Parties, states in its opinion will or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the foregoing provisions of this paragraph (a) of Clause 18.1 (*Normal order of application*);
 - (c) THIRDLY: in or towards satisfaction of any amounts representing insurance costs or premiums then due and payable by the Borrowers (or any of them) in connection with the Ships and/or the Lenders;
 - (d) FOURTHLY: in or towards satisfaction of any amounts representing management fees then due and payable by the Borrowers (or any of them) to an Approved Manager in connection with the Ships;
 - (e) FIFTHLY: any expenses of the Borrowers or the Ships then due and payable; and
 - (f) SIXTHLY: any surplus shall be paid to the Borrowers (or any of them) or to any other person appearing to be entitled to it.

18.2 Variation of order of application

The Agent may, with the authorisation of the Majority Lenders by notice to the Borrowers, the Security Parties and the other Creditor Parties provide for a different manner of application from that set out in Clause 18.1 (*Normal order of application*) either as regards a specified sum or sums or as regards sums in a specified category or categories.

18.3 Notice of variation of order of application

The Agent may give notices under Clause 18.2 (*Variation of order of application*) from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

18.4 Appropriation rights overridden

This Clause 18 (*Application of Receipts*) and any notice which the Agent gives under Clause 18.2 (*Variation of order of application*) shall override any right of appropriation possessed, and any appropriation made, by any Borrower or any Security Party.

19 EVENTS OF DEFAULT

19.1 Events of Default

An Event of Default occurs if:

- (a) the Borrowers or any of them or any Security Party fails to pay when due or (if so payable) on demand any sum payable under a Finance Document or under any document relating to a Finance Document; or
- (b) any breach occurs of Clause 9.2 (*Waiver of conditions precedent*), 10.15 (*No money laundering; anti-bribery*), 10.18 (*Sanctions*), 11.2 (*Title and negative pledge*), 11.3 (*No disposal of assets*), 11.18 (*Sanctions*), 11.20 (*Minimum Liquidity*), 12.2 (*Maintenance of status*), 12.3 (*Negative undertakings*), 13.2 (*Maintenance of obligatory insurances*), 13.3 (*Terms of obligatory insurances*), 14.2 (*Ship's name and registration*) or 15.2 (*Provision of additional security; prepayment*) or clause 12.3 (*negative undertakings*) of the Corporate Guarantee; or
- (c) any breach by the Borrowers or any of them or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b) above) if, in the opinion of the Majority Lenders, such default is capable of remedy, and such default continues unremedied 14 days after the earlier of (i) written notice from the Agent requesting action to remedy the same and (ii) any Borrower becoming aware of such breach; or
- (d) (subject to any applicable grace period specified in the Finance Document) any breach by the Borrowers or any of them or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a), (b) or (c) above); or
- (e) any representation, warranty or statement made or repeated by, or by an officer of, any Borrower or a Security Party in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading when it is made or repeated; or
- (f) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person (for an amount exceeding, in the case of any Relevant Person other than a Borrower \$20,000,000 (or the equivalent in any other currency) in aggregate):
 - (i) any Financial Indebtedness of a Relevant Person is not paid when due or, if so payable, on demand; or
 - (ii) any Financial Indebtedness of a Relevant Person becomes due and payable or capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default unless the Relevant Person is contesting the declaration of an event of default or of the Financial Indebtedness becoming due and payable in good faith and on substantial grounds by appropriate proceedings and adequate reserves have been set aside for its payment if such proceedings fail; or
 - (iii) a lease, hire purchase agreement or charter creating any Financial Indebtedness of a Relevant Person is terminated by the lessor or owner or becomes capable of being terminated as a consequence of any termination event; or
 - (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of a Relevant Person ceases to be available or becomes capable of being terminated as a result of any event of default, or cash cover is required, or becomes capable of being required, in respect of such a facility as a result of any event of default; or

- (v) any Security Interest securing any Financial Indebtedness of a Relevant Person becomes enforceable; or
- (g) any 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; or
- (h) any of the following occurs in relation to a Relevant Person:
 - (i) a Relevant Person becomes, in the reasonable opinion of the Lenders, unable to pay its debts as they fall due; or
 - (ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress which in the case of any Relevant Person, other than any Borrower, exceeds a sum of, or sums aggregating, \$20,000,000 or more or the equivalent in another currency and such execution, attachment, arrest, sequestration or distress is not withdrawn or discharged within thirty (30) days other than an arrest or detention of a Ship referred to in paragraph (g) of Clause 19.1 (*Events of Default*); or
 - (iii) any administrative or other receiver is appointed over any asset of a Relevant Person; or
 - (iv) an administrator is appointed (whether by the court or otherwise) in respect of a Relevant Person; or
 - (v) any formal declaration of bankruptcy or any formal statement to the effect that a Relevant Person is insolvent or likely to become insolvent is made by a Relevant Person or by the directors or officers of a Relevant Person or, in any proceedings, by a lawyer acting for a Relevant Person; or
 - (vi) a provisional liquidator is appointed in respect of a Relevant Person, a winding up order is made in relation to a Relevant Person or a winding up resolution is passed by a Relevant Person; or
 - (vii) a resolution is passed, an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by (aa) a Relevant Person, (bb) the members, shareholders, officers or directors of a Relevant Person, (cc) a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person, or (dd) a government minister or public or regulatory authority of a Pertinent Jurisdiction for or with a view to the winding up of that or another Relevant Person or the appointment of a provisional liquidator or administrator in respect of that or another Relevant Person, or that or another Relevant Person ceasing or suspending business operations or payments to creditors, save that this paragraph does not apply to a fully solvent winding up of a Relevant Person other than a Borrower or the Corporate Guarantor which is, or is to be, effected for the purposes of an amalgamation or reconstruction previously approved by the Majority Lenders and effected not later than 3 months after the commencement of the winding up; or

- (viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administrator is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (aa) the application or petition is dismissed or withdrawn within 60 days of being made or presented, or (bb) within 60 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there will be no administration and (in both cases (aa) or (bb)) the Relevant Person will continue to carry on business in the ordinary way and without being the subject of any actual, interim or pending insolvency law procedure; or
- (ix) a Relevant Person or its directors or officers take any steps (whether by making or presenting an application or petition to a court, or submitting or presenting a document setting out a proposal or proposed terms, or otherwise) with a view to obtaining, in relation to that or another Relevant Person, any form of moratorium, suspension or deferral of payments, reorganisation of debt (or certain debt) or arrangement with all or a substantial proportion (by number or value) of creditors or of any class of them or any such moratorium, suspension or deferral of payments, reorganisation or arrangement is effected by court order, by the filing of documents with a court, by means of a contract or in any other way at all; or
- (x) any meeting of the members, shareholders or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the members, shareholders, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or
- (xi) in a country other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the reasonable opinion of the Majority Lenders is similar to any of the foregoing; or
- (i) any Borrower or any Security Party ceases or suspends carrying on its business or a part of its business which, in the reasonable opinion of the Majority Lenders, is material in the context of this Agreement **Provided that** no Event of Default will occur under this paragraph (i) if the Security Party is an Approved Manager and the Borrowers replace such Approved Manager by another Approved Manager within 30 days from the date of such event; or
- (j) it becomes unlawful in any Pertinent Jurisdiction or impossible:
 - (i) for any Borrower or any Security Party to discharge any liability under a Finance Document or to comply with any other obligation which the Majority Lenders consider material under a Finance Document; or
 - (ii) for the Agent, the Security Trustee or the Lenders to exercise or enforce any right under, or to enforce any Security Interest created by, a Finance Document; or

- (k) any official consent necessary to enable any Borrower to own, operate or charter the Ship owned by it or to enable any Borrower or any Security Party to comply with any provision which the Majority Lenders reasonably consider material of a Finance Document is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent is not fulfilled, unless the relevant Borrower contests any denial, expiration or revocation (other than with respect to a Finance Documents) and on the condition that, in the reasonable opinion of the Majority Lenders (i) there are real prospects of such contest being successfully granted/upheld by the relevant Borrower (ii) such contest being made in good faith; or
- (l) it appears to the Majority Lenders that, without their prior written consent, after the date of this Agreement:
- (i) a change has occurred in the legal or direct beneficial ownership of any of the shares in any Borrower or any Shareholder in the voting rights attaching to any of those shares; or
 - (ii) any Borrower ceases to be a wholly owned indirect subsidiary of the Corporate Guarantor; or
 - (iii) the Designated Unitholders own, in aggregate, less than 5 per cent. of the issued and outstanding common units in the Corporate Guarantor; or
 - (iv) the units of the Corporate Guarantor cease to be listed on the New York Stock Exchange (NYSE) or any other US or European stock exchange acceptable to the Agent; or
 - (v) Mrs Angeliki Frangou 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), ceases 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 Corporate Guarantor, which is currently Olympos Maritime Ltd; or
- (m) any provision which the Majority Lenders consider material of a Finance Document proves to have been or becomes invalid or unenforceable, or a Security Interest created by a Finance Document proves to have been or becomes invalid or unenforceable or such a Security Interest proves to have ranked after, or loses its priority to, another Security Interest or any other third party claim or interest; or
- (n) the security constituted by a Finance Document is in any way imperilled or in jeopardy; or
- (o) any other event occurs or any other circumstances arise or develop including, without limitation:
- (i) a material adverse change in the business, condition (financial or otherwise), operation, state of affairs or prospects of any Borrower, the Corporate Guarantor or the Group; or
 - (ii) any accident or other event involving any Ship or another vessel owned, chartered or operated by a Relevant Person,
- in the light of which the Majority Lenders reasonably consider that there is a significant risk that any Security Party is, or will later become, unable to discharge its liabilities under the Finance Documents as they fall due or the enforceability of any Finance Document may be adversely affected.

(p) Additional Charters, Collateral Charters and Existing Charters

- (i) Any Additional Charter, any Collateral Charter (other than the Collateral Charter relating to Collateral Ship B) or any Existing Charter (other than the Existing Charter relating to Ship I) is frustrated (except, in respect of an Existing Charter, as a result of a Total Loss of the relevant Ship), terminated (except by mere effluxion of time), cancelled or rescinded or purported to be cancelled or rescinded or the relevant Additional Ship, the relevant Collateral Ship or the relevant Ship is withdrawn from service under that Additional Charter, that Collateral Charter or that Existing Charter, respectively prior to its termination by effluxion of time.
- (ii) No Event of Default will occur under sub-paragraph (i) of paragraph (p) of Clause 19.1 (*Events of Default*) if, as soon as possible, but in any event not later than 60 days after such frustration, termination, cancellation or rescission the Borrower owning the relevant Ship:
 - (A) has entered into a new charter (a “**Replacement Charter**”) in respect of that Ship on terms acceptable to the Agent (acting on the instructions of the Majority Lenders at their sole discretion), which shall not be unreasonably withheld or delayed;
 - (B) has delivered to the Agent copies of such Replacement Charter or sufficient evidence that such Replacement Charter has been agreed and, if applicable, any related charter guarantee duly executed by the parties thereto and of each document to be delivered pursuant to each of them; and
 - (C) has complied with its obligations pursuant to Clause 14.16 (*Charterparty Assignment*) in relation to such Replacement Charter (as if same was by definition a Charterparty) and, if applicable, any related charter guarantee.

19.2 Actions following an Event of Default

On, or at any time after, the occurrence of an Event of Default, which is continuing:

- (a) the Agent may, and if so instructed by the Majority Lenders, the Agent shall:
 - (i) serve on the Borrowers a notice stating that all or part of the Commitments and all other obligations of each Lender to the Borrowers under this Agreement are terminated; and/or
 - (ii) serve on the Borrowers a notice stating that all or part of the Loan, all accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or
 - (iii) take any other action which, as a result of the Event of Default or any notice served under sub-paragraph (i) or (ii) above, the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or
- (b) the Security Trustee may, and if so instructed by the Agent, acting with the authorisation of the Lenders, the Security Trustee shall take any action which, as a result of the Event of Default or any notice served under sub-paragraph (i) or (ii) of paragraph (a) above, the Security Trustee, the Agent and/or the Majority Lenders are entitled to take under any Finance Document or any applicable law.

19.3 Termination of Commitments

On the service of a notice under sub-paragraph (i) of paragraph (a) of Clause 19.2 (*Actions following an Event of Default*), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall terminate.

19.4 Acceleration of Loan

On the service of a notice under sub-paragraph (ii) of paragraph (a) of Clause 19.2 (*Actions following an Event of Default*), the Loan, all accrued interest and all other amounts accrued or owing from the Borrowers or any Security Party under this Agreement and every other Finance Document shall become immediately due and payable or, as the case may be, payable on demand.

19.5 Multiple notices; action without notice

The Agent may serve notices under sub-paragraphs (i) and (ii) of paragraph (a) of Clause 19.2 (*Actions following an Event of Default*) simultaneously or on different dates and it and/or the Security Trustee may take any action referred to in that Clause if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 Notification of Creditor Parties and Security Parties

The Agent shall send to each Lender, the Security Trustee and each Security Party a copy or the text of any notice which the Agent serves on the Borrowers under Clause 19.2 (*Actions following an Event of Default*); but the notice shall become effective when it is served on the Borrowers, and no failure or delay by the Agent to send a copy or the text of the notice to any other person shall invalidate the notice or provide the Borrowers or any Security Party with any form of claim or defence.

19.7 Creditor Party's rights unimpaired

Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1 (*Interests of Lenders several*).

19.8 Exclusion of Creditor Party Liability

No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to the Borrowers or a Security Party:

- (a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or
- (b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset,

except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been caused by the gross negligence or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 Relevant Persons

In this Clause 19 (*Events of Default*), a "**Relevant Person**" means a Borrower, a Security Party (excluding an Approved Manager), and any company which is a subsidiary of any Borrower or of a Security Party (excluding an Approved Manager) or of which any Borrower is a subsidiary.

19.10 Interpretation

In paragraph (f) of Clause 19.1 (*Events of Default*) references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in paragraph (h) of Clause 19.1 (*Events of Default*) "**petition**" includes an application.

20 FEES AND EXPENSES

20.1 Agency fee

The Borrowers shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

20.2 Upfront fee

The Borrowers shall pay to the Agent (for the account of each Lender) an upfront fee in the amount and at the times agreed in a Fee Letter.

20.3 Costs of negotiation, preparation etc.

The Borrowers shall pay to the Agent, within ten Business Days' from its demand, the amount of all expenses incurred by the Agent or the Security Trustee in connection with the negotiation, preparation, execution or registration of any Finance Document or any related document or with any transaction contemplated by a Finance Document or a related document (including, without limitation, out of pocket expenses, legal fees and any related VAT).

20.4 Costs of variations, amendments, enforcement etc.

Subject to Clause 20.5 (*Reference rate transition costs*), the Borrowers shall pay to the Agent, within ten Business Days' from its demand, the amount of all documented expenses incurred by a Creditor Party in connection with:

- (a) any amendment or supplement to a Finance Document, or any proposal for such an amendment to be made;
- (b) any consent or waiver by the Lenders, the Majority Lenders or the Creditor Party concerned under or in connection with a Finance Document, or any request for such a consent or waiver;
- (c) the valuation of any security provided or offered under Clause 15 (*Security Cover*) or any other matter relating to such security;

- (d) where the Agent, in its absolute opinion, considers that there has been a material change to the insurances in respect of a Ship, the review of the insurances of a Ship pursuant to Clause 13.18 (*Review of insurance requirements*);
- (e) the opinions of the independent insurance consultant referred to in paragraph 6 of Part B, Schedule 3 (*Condition Precedent Documents*); and
- (f) any step taken by any Lender concerned with a view to the protection, exercise or enforcement of any right or Security Interest created by a Finance Document or for any similar purpose.

There shall be recoverable under paragraph (d) the full amount of all legal expenses, whether or not such as would be allowed under rules of court or any taxation or other procedure carried out under such rules.

20.5 Reference rate transition costs

The Borrowers shall on demand reimburse each of the Agent and the Security Trustee for the amount of all costs and expenses (including legal fees) reasonably incurred by each Creditor 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 27.4 (*Changes to reference rates*).

20.6 Documentary taxes

The Borrowers shall promptly pay any tax payable on or by reference to any Finance Document, and shall, on the Agent's demand, fully indemnify each Creditor Party against any liabilities, claims losses and expenses resulting from any failure or delay by the Borrowers to pay such a tax.

20.7 Certification of amounts

A notice which is signed by two officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 20 (*Fees and Expenses*) and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21 INDEMNITIES

21.1 Indemnities regarding borrowing and repayment of Loan

The Borrowers shall fully indemnify the Agent and each Lender on the Agent's demand and the Security Trustee on its demand in respect of all claims, expenses, liabilities and losses which are made or brought against or incurred by that Creditor Party, or which that Creditor Party reasonably and with due diligence estimates that it will incur, as a result of or in connection with:

- (a) the Loan not being borrowed on the date specified in the Drawdown Notice for any reason other than a default by the Lender claiming the indemnity;
- (b) any failure (for whatever reason) by the Borrowers to make payment of any amount due under a Finance Document on the due date or, if so payable, on demand (after giving credit for any default interest paid by the Borrowers on the amount concerned under Clause 5.3 (*Default Interest*)); and
- (c) the occurrence and/or continuance of an Event of Default and/or the acceleration of repayment of the Loan under Clause 19 (*Events of Default*), and in respect of any tax (other than tax on its overall net income or a FATCA Deduction) for which a Creditor Party is liable in connection with any amount paid or payable to that Creditor Party (whether for its own account or otherwise) under any Finance Document.

21.2 Breakage costs

Without limiting its generality, Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) covers any liability, expense or loss, including a loss of a prospective profit, incurred by a Lender:

- (a) in liquidating or employing deposits from third parties acquired or arranged to fund or maintain all or any part of its Contribution and/or any overdue amount (or an aggregate amount which includes its Contribution or any overdue amount); and
- (b) in terminating, or otherwise in connection with, any interest and/or currency swap or any other transaction entered into (whether with another legal entity or with another office or department of the Lender concerned) to hedge any exposure arising under this Agreement or that part which the Lender concerned determines is fairly attributable to this Agreement of the amount of the liabilities, expenses or losses (including losses of prospective profits) incurred by it in terminating, or otherwise in connection with, a number of transactions of which this Agreement is one.

21.3 Miscellaneous indemnities

The Borrowers shall fully indemnify each Creditor Party severally on their respective demands in respect of all claims, demands, proceedings, liabilities, taxes, losses and expenses of every kind ("**liability items**") which may be made or brought against, or incurred by, a Creditor Party, in any country, in relation to:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document; and
- (b) any other event, matter or question which occurs or arises at any time during the Security Period and which has any connection with, or any bearing on, any Finance Document, any payment or other transaction relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created (or intended to be created) by a Finance Document,

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.4 Extension of indemnities; environmental indemnity

Without prejudice to its generality, Clause 21.3 (*Miscellaneous indemnities*) covers:

- (a) any matter which would be covered by Clause 21.3 (*Miscellaneous indemnities*) if any of the references in that Clause to a Lender were a reference to the Agent or (as the case may be) to the Security Trustee; and
- (b) any liability items which arise, or are asserted, under or in connection with any law relating to safety at sea, pollution or the protection of the environment, the ISM Code, the ISPS Code or any Environmental Law.

21.5 Currency indemnity

If any sum due from a Borrower or any Security Party to a Creditor Party under a Finance Document or under any order or judgment relating to a Finance Document has to be converted from the currency in which the Finance Document provided for the sum to be paid (the “**Contractual Currency**”) into another currency (the “**Payment Currency**”) for the purpose of:

- (a) making or lodging any claim or proof against a Borrower or any Security Party, whether in its liquidation, any arrangement involving it or otherwise; or
- (b) obtaining an order or judgment from any court or other tribunal; or
- (c) enforcing any such order or judgment,

the Borrowers shall indemnify the Creditor Party concerned against the loss arising when the amount of the payment actually received by that Creditor Party is converted at the available rate of exchange into the Contractual Currency.

In this Clause 21.5 (*Currency indemnity*), the “**available rate of exchange**” means the rate at which the Creditor Party concerned is able at the opening of business (London time) on the Business Day after it receives the sum concerned to purchase the Contractual Currency with the Payment Currency.

This Clause 21.5 (*Currency indemnity*) creates a separate liability of each Borrower which is distinct from its other liabilities under the Finance Documents and which shall not be merged in any judgment or order relating to those other liabilities.

21.6 Certification of amounts

A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 21 (*Indemnities*) and which indicates (without necessarily specifying a detailed breakdown of the amounts due) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21.7 Sums deemed due to a Lender

For the purposes of this Clause 21 (*Indemnities*), a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to a Lender shall be treated as a sum due to that Lender.

21.8 Sanctions

- (a) The Borrowers shall, within three (3) Business Days of demand by a Creditor Party, indemnify each Creditor Party against any cost, loss or liability incurred by it as a result of any civil penalty or fine against, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred in connection with the defence thereof by, the Agent or any Lender as a result of conduct of the Borrowers or any Security Party or any of their partners, directors, officers, employees, agents or advisors, that violates any Sanctions.
- (b) The indemnity in paragraph (a) of Clause 21.8 (*Sanctions*) above shall cover any losses incurred by each Creditor Party in any jurisdiction arising or asserted under or in connection with any law relating to any Sanctions.

22 NO SET-OFF OR TAX DEDUCTION

22.1 No deductions

All amounts due from the Borrowers under a Finance Document shall be paid:

- (a) without any form of set-off, cross-claim or condition; and
- (b) free and clear of any tax deduction except a tax deduction which a Borrower is required by law to make.

22.2 Grossing-up for taxes

If a Borrower is required by law to make a tax deduction from any payment:

- (a) that Borrower shall notify the Agent as soon as it becomes aware of the requirement;
- (b) that Borrower shall pay the tax deducted to the appropriate taxation authority promptly, and in any event before any fine or penalty arises; and
- (c) the amount due in respect of the payment shall be increased by the amount necessary to ensure that each Creditor Party receives and retains (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which it would otherwise have received.

22.3 Evidence of payment of taxes

Within 1 month after making any tax deduction, the Borrowers concerned shall deliver to the Agent documentary evidence satisfactory to the Agent that the tax had been paid to the appropriate taxation authority.

22.4 Exclusion of tax on overall net income

In this Clause 22 (*No Set-off or Tax Deduction*) “**tax deduction**” means any deduction or withholding for or on account of any present or future tax except tax on a Creditor Party’s overall net income or a FATCA Deduction.

22.5 FATCA information

- (a) Subject to paragraph (c) below, each party to the Finance Documents shall, within 5 Business Days of a reasonable request by another party to the Finance Documents:
- (i) confirm to that other party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and
 - (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA as that other party reasonably requests for the purposes of that other party's compliance with FATCA; and
 - (iii) supply to that other party such forms, documentation and other information relating to its status as that other party reasonably requests for the purposes of that other party's compliance with any other law, regulation or exchange of information regime;
- (b) if a party to any Finance Document confirms to another party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly;
- (c) paragraph (a) above shall not oblige any Creditor Party, and sub-paragraph (iii) of paragraph (a) above shall not oblige any other party to a Finance Document, to do anything which would or might in its reasonable opinion constitute a breach of:
- (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality;
- (d) if a party to any Finance Document fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraph (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party until such time as the party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is or becomes a US Tax Obligor or a FATCA FFI, it shall as soon as reasonably practicable inform the Agent of the same;
- (f) Where the Agent reasonably believes that its obligations under FATCA require it, the relevant Borrower or the relevant Security Party shall provide the Agent, upon request, with a W-8 BEN-E form (or any successor form) or any other forms or documentation the Agent may reasonably require, as soon as reasonably practicable. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (f);
- (g) If a Borrower is or becomes a US Tax Obligor or a FATCA FFI, or where the Agent reasonably believes that its obligations under FATCA require it, each Creditor Party shall, within 10 Business Days of the date of a request from the Agent supply to the Agent:

- (i) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); and/or
- (ii) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Creditor Party under FATCA,

the Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Creditor Party pursuant to this paragraph (g) to that Borrower or the relevant Security Party and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (g); and

- (h) The Borrowers, each Security Party and each Creditor Party agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Agent pursuant to paragraphs (f) to (g) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Agent in writing of its legal inability to do so. The Agent shall, if applicable, provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to the Borrowers or the relevant Security Party. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (h).

22.6 FATCA Deduction

- (a) Each party to a Finance Document may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and shall not be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each party to a Finance Document shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to a Finance Document to whom it is making the payment and, in addition, shall notify the Borrowers and the Agent and the Agent shall notify the other Creditor Parties.

23 ILLEGALITY, ETC

23.1 Illegality

This Clause 23 (*Illegality, etc*) applies if a Lender (the “**Notifying Lender**”) notifies the Agent that it has become, or will with effect from a specified date, become for that Lender or any affiliate of that Lender:

- (a) unlawful or prohibited as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
 - (b) contrary to, or inconsistent with, any regulation,
- for the Notifying Lender to maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement.

23.2 Notification of illegality

The Agent shall promptly notify the Borrowers, the Security Parties, the Security Trustee and the other Lenders of the notice under Clause 23.1 (*Illegality*) which the Agent receives from the Notifying Lender.

23.3 Prepayment; termination of Commitment

On the Agent notifying the Borrowers under Clause 23.2 (*Notification of illegality*), the Notifying Lender's Commitment shall terminate; and thereupon or, if later, on the date specified in the Notifying Lender's notice under Clause 23.1 (*Illegality*) as the date on which the notified event would become effective the Borrowers shall prepay the Notifying Lender's Contribution in accordance with Clause 8 (*Repayment and Prepayment*).

24 INCREASED COSTS

24.1 Increased costs

(a) Each Borrower shall, within 3 Business Days of a demand by the Agent, pay for the account of a Creditor Party the amount of any Increased Costs incurred by that Creditor Party or any of its affiliates as a result of:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or
- (ii) compliance with any law or regulation made, after the date of this Agreement.

(b) In this Agreement, "**Increased Costs**" means:

- (i) a reduction in the rate of return from the Loan or on a Creditor Party's (or its affiliate's) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Creditor Party or any of its affiliates to the extent that it is attributable to that Creditor Party having entered into its Commitment or funding or performing its obligations under any Finance Document and, for the avoidance of doubt, includes any Increased Costs incurred or suffered by a Creditor Party or any of its affiliates as a result of or with connection to Basel III, CRD IV or CRR, but not an item attributable to a change in the rate of tax on the overall net income of the Notifying Lender (aa) (or a parent company of it) or (bb) an item covered by the indemnity for tax in Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) or by Clause 22 (*No Set-off or Tax Deduction*) or (cc) a FATCA Deduction.

24.2 Increased cost claims

- (a) A Creditor Party (the “**Notifying Lender**”) intending to make a claim pursuant to Clause 24.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Creditor Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

24.3 Notification to Borrowers of claim for increased costs

The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.2 (*Increased cost claims*).

24.4 Payment of increased costs

The Borrowers shall pay to the Agent, on the Agent’s demand, for the account of the Notifying Lender the amounts which the Agent from time to time notifies the Borrowers that the Notifying Lender has specified to be necessary to compensate the Notifying Lender for the increased cost.

24.5 Notice of prepayment

If the Borrowers are not willing to continue to compensate the Notifying Lender for the increased cost under Clause 24.4 (*Payment of increased costs*), the Borrowers may give the Agent not less than 15 days’ notice of their intention to prepay the Notifying Lender’s Contribution at the end of an Interest Period and/or to cancel the Notifying Lender’s Available Commitment.

24.6 Prepayment; termination of Commitment

A notice under Clause 24.5 (*Notice of prepayment*) shall be irrevocable; the Agent shall promptly notify the Notifying Lender of the Borrowers’ notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Commitment of the Notifying Lender shall be cancelled; and
- (b) on the date specified in its notice of intended prepayment, the Borrowers shall prepay (without premium or penalty) the Notifying Lender’s Contribution, together with accrued interest thereon at the applicable rate plus the Margin.

24.7 Application of prepayment

Clause 8 (*Repayment and Prepayment*) shall apply in relation to the prepayment.

25 SET-OFF

25.1 Application of credit balances

Each Creditor Party may without prior notice:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of a Borrower at any office in any country of that Creditor Party in or towards satisfaction of any sum then due from that Borrower to that Creditor Party under any of the Finance Documents; and

- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of that Borrower;
 - (ii) convert or translate all or any part of a deposit or other credit balance into dollars; and
 - (iii) enter into any other transaction or make any entry with regard to the credit balance which the Creditor Party concerned considers appropriate.

25.2 Existing rights unaffected

No Creditor Party shall be obliged to exercise any of its rights under Clause 25.1 (*Application of credit balances*); and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Creditor Party is entitled (whether under the general law or any document).

25.3 Sums deemed due to a Lender

For the purposes of this Clause 25 (*Set-off*), a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to, or for the account of, a Lender shall be treated as a sum due to that Lender; and each Lender's proportion of a sum so payable for distribution to, or for the account of, the Lenders shall be treated as a sum due to such Lender.

25.4 No Security Interest

This Clause 25 (*Set-off*) gives the Creditor Parties a contractual right of set off only and does not create any equitable charge or other Security Interest over any credit balance of any Borrower.

26 TRANSFERS AND CHANGES IN LENDING OFFICES

26.1 Transfer by Borrowers

No Borrower may, without the consent of the Agent, given on the instructions of all the Lenders:

- (a) transfer any of its rights or obligations under any Finance Document; or
- (b) enter into any merger, de-merger or other reorganisation, or carry out any other act, as a result of which any of its rights or liabilities would vest in, or pass to, another person.

26.2 Transfer by a Lender

Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender (the "**Transferor Lender**") may at any time, without the prior written consent of the Borrowers (but with a 15 days' prior notice), transfer and/or assign:

- (a) its rights in respect of all or part of its Contribution; or
- (b) its obligations in respect of all or part of its Commitment; or

- (c) a combination of (a) and (b),

to another Lender, another branch, subsidiary or affiliate of a Lender, another first class international bank or financial institution, any member of the European System of Central Banks, a trust/fund managed by a Lender or an affiliate of a Lender, or to any (re)insurers and insurance companies or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in shipping loans, securities or other financial assets (a “**Transferee Lender**”) by delivering to the Agent a completed certificate in the form set out in Schedule 4 (*Transfer Certificate*) with any modifications approved or required by the Agent (a “**Transfer Certificate**”) executed by the Transferor Lender and the Transferee Lender.

However, any rights and obligations of the Transferor Lender in its capacity as Agent or Security Trustee will have to be dealt with separately in accordance with the Agency and Trust Deed.

26.3 Transfer Certificate, delivery and notification

As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

- (a) sign the Transfer Certificate on behalf of itself, each Borrower, the Security Parties, the Security Trustee and each of the other Lenders;
- (b) on behalf of the Transferee Lender, send to each Borrower and each Security Party letters or faxes notifying them of the Transfer Certificate and attaching a copy of it; and
- (c) send to the Transferee Lender copies of the letters or faxes sent under paragraph (b) above,

provided that the Agent is satisfied that the Transferee Lender has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such Transferee Lender.

26.4 Effective Date of Transfer Certificate

A Transfer Certificate becomes effective on the date, if any, specified in the Transfer Certificate as its effective date **Provided that** it is signed by the Agent under Clause 26.3 (*Transfer Certificate, delivery and notification*) on or before that date.

26.5 No transfer without Transfer Certificate

No assignment or transfer of any right or obligation of a Lender under any Finance Document is binding on, or effective in relation to, any Borrower, any Security Party, the Agent or the Security Trustee unless it is effected, evidenced or perfected by a Transfer Certificate.

26.6 Lender re-organisation; waiver of Transfer Certificate

However, if a Lender enters into any merger, de-merger or other reorganisation as a result of which all its rights or obligations vest in another person (the “**successor**”), the Agent may, if it sees fit, by notice to the successor and the Borrowers and the Security Trustee waive the need for the execution and delivery of a Transfer Certificate; and, upon service of the Agent’s notice, the successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender.

26.7 Effect of Transfer Certificate

A Transfer Certificate takes effect in accordance with English law as follows:

- (a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender's title and of any rights or equities which the Borrowers or any Security Party had against the Transferor Lender;
- (b) the Transferor Lender's Commitment is discharged to the extent specified in the Transfer Certificate;
- (c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;
- (d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;
- (e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate's effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the transferor, assuming that any defects in the transferor's title and any rights or equities of any Borrower or any Security Party against the Transferor Lender had not existed;
- (f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under Clause 7.2 (*Market disruption*) and Clause 20 (*Fees and Expenses*), and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them; and
- (g) in respect of any breach of a warranty, undertaking, condition or other provision of a Finance Document or any misrepresentation made in or in connection with a Finance Document, the Transferee Lender shall be entitled to recover damages by reference to the loss incurred by it as a result of the breach or misrepresentation, irrespective of whether the original Lender would have incurred a loss of that kind or amount.

The rights and equities of any Borrower or any Security Party referred to above include, but are not limited to, any right of set off and any other kind of cross-claim.

26.8 Maintenance of register of Lenders

During the Security Period the Agent shall maintain a register in which it shall record the name, Commitment, Contribution and administrative details (including the lending office) from time to time of each Lender holding a Transfer Certificate and the effective date (in accordance with Clause 26.4 (*Effective Date of Transfer Certificate*)) of the Transfer Certificate; and the Agent shall make the register available for inspection by any Lender, the Security Trustee and the Borrowers during normal banking hours, subject to receiving at least 3 Business Days prior notice.

26.9 Reliance on register of Lenders

The entries on that register shall, in the absence of manifest error, be conclusive in determining the identities of the Lenders and the amounts of their Commitments and Contributions and the effective dates of Transfer Certificates and may be relied upon by the Agent and the other parties to the Finance Documents for all purposes relating to the Finance Documents.

26.10 Authorisation of Agent to sign Transfer Certificates

The Borrowers, the Security Trustee and each Lender irrevocably authorise the Agent to sign Transfer Certificates on its behalf.

26.11 Registration fee

In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of \$1,500 (and all costs, fees and expenses incidental to the transfer (including, but not limited to legal fees and expenses)) from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.12 Sub-participation; subrogation assignment

A Lender may sub-participate all or any part of its rights and/or obligations under or in connection with the Finance Documents without the consent of, or any notice to, the Borrowers, any Security Party, the Agent or the Security Trustee; and the Lenders may assign, in any manner and terms, all or any part of those rights to an insurer or surety who has become subrogated to them.

26.13 Disclosure of information

Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender may, disclose to a potential Transferee Lender or, to any sub-participant any information which the Lender has received in relation to the Borrowers, any Security Party or their affairs under or in connection with any Finance Document, unless the information is clearly of a confidential nature only after a potential Transferee Lender or any sub-participant to whom disclosure is made agrees to be bound by the terms of the confidentiality undertaking in this Clause 26.13 (*Disclosure of information*) by way of a confidentiality agreement in a form recommended by the LMA from time to time or acceptable to the Borrowers.

The Borrowers agree that the terms and conditions of this Agreement shall remain confidential and shall not, or shall procure that the Corporate Guarantor shall not, disclose (whether, without limitation, in writing or orally) to third parties (other than any disclosure to the Corporate Guarantor's unitholders, officers, employees or professional advisers **provided that** the person to whom disclosure is made agrees to be bound by the terms of the confidentiality undertaking in this Clause 26.13 (*Disclosure of information*) any information required to be disclosed by law, regulation or any governmental or competent regulatory authority (including without limitation, any securities exchange), provided that, to the extent reasonably practicable, the Corporate Guarantor shall inform the Agent on the proposed form, timing, nature and purpose of the disclosure) the existence of this Agreement or the terms and conditions contained herein without the prior written consent of the Lenders.

26.14 Change of lending office

A Lender may change its lending office by giving notice to the Agent and the change shall become effective on the later of:

- (a) the date on which the Agent receives the notice; and
- (b) the date, if any, specified in the notice as the date on which the change will come into effect.

26.15 Notification

On receiving such a notice, the Agent shall notify the Borrowers and the Security Trustee; and, until the Agent receives such a notice, it shall be entitled to assume that a Lender is acting through the lending office of which the Agent last had notice.

26.16 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26 (*Transfers and Changes in Lending Offices*), each Lender may without consulting with or obtaining consent from any Borrower or any Security Party, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities;

except that no such charge, assignment or Security Interest shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by the Borrowers or any Security Party 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.

26.17 Preservation of security

The benefit of the Security Interests created under the Finance Documents shall automatically transfer to any assignee or transferee (by way of novation or otherwise) of part or all of the obligations expressed to be secured by the Security Interests created under the Finance Documents. For the purpose of Article 5.247 of the Belgian Civil Code (and, to the extent applicable, any similar provisions of foreign law), the Security Trustee, the other Creditor Parties and each of the Borrowers hereby expressly reserve the preservation of the Security Interests created under the Finance Documents in case of assignment, novation, amendment or any other transfer or change of the obligations expressed to be secured by the Security Interests created under the Finance Documents (including, without limitation, an extension of the term or an increase of the amount of such obligations or the granting of additional credit) or of any change of any of the parties to this Agreement or any other Finance Document.

27 VARIATIONS AND WAIVERS BY MAJORITY LENDERS

27.1 Variations, waivers etc. by Lenders

Subject to Clause 27.2 (*Variations, waivers etc. requiring agreement of all Lenders*), a document shall be effective to vary, waive, suspend or limit any provision of a Finance Document, or any Creditor Party's rights or remedies under such a provision or the general law, only if the document is signed, or specifically agreed to by fax, by the Borrowers, by the Agent on behalf of the Majority Lenders, by the Agent and the Security Trustee in their own rights, and, if the document relates to a Finance Document to which a Security Party is party, by that Security Party.

27.2 Variations, waivers etc. requiring agreement of all Lenders

Subject to Clause 27.4 (*Changes to reference rates*), as regards the following, Clause 27.1 (*Variations, waivers etc. by Lenders*) applies as if the words "by the Agent on behalf of the Majority Lenders" were replaced by the words "by or on behalf of every Lender":

- (a) a reduction in the Margin;
- (b) a postponement to the date for, or a reduction in the amount of, any payment of principal, interest, fees or other sum payable under this Agreement;
- (c) an increase in any Lender's Commitment;
- (d) a change to the definition of "**Majority Lenders**";
- (e) a change to Clause 3 (*Position of the Lenders*) or this Clause 27 (*Variations and Waivers by majority lenders*);
- (f) any release of, or material variation to, a Security Interest, guarantee, indemnity or subordination arrangement set out in a Finance Document; and
- (g) any other change or matter as regards which this Agreement or another Finance Document expressly provides that each Lender's consent is required.

27.3 Exclusion of other or implied variations

Except for a document which satisfies the requirements of Clauses 27.1 (*Variations, waivers etc. by Lenders*) and 27.2 (*Variations, waivers etc. requiring agreement of all Lenders*), no document, and no act, course of conduct, failure or neglect to act, delay or acquiescence on the part of the Creditor Parties or any of them (or any person acting on behalf of any of them) shall result in the Creditor Parties or any of them (or any person acting on behalf of any of them) being taken to have varied, waived, suspended or limited, or being precluded (permanently or temporarily) from enforcing, relying on or exercising:

- (a) a provision of this Agreement or another Finance Document; or
- (b) an Event of Default; or
- (c) a breach by a Borrower or a Security Party of an obligation under a Finance Document or the general law; or

- (d) any right or remedy conferred by any Finance Document or by the general law, and there shall not be implied into any Finance Document any term or condition requiring any such provision to be enforced, or such right or remedy to be exercised, within a certain or reasonable time.

27.4 Changes to reference rates

- (a) 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 Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

- (b) An amendment or waiver that relates to, or has the effect of, aligning the means of calculation of interest on the Loan or any part of the Loan under this Agreement to any recommendation of a Relevant Nominating Body which:
- (i) relates to the use of the RFR on a compounded basis in the international or any relevant domestic syndicated loan markets; and
 - (ii) is issued on or after the date of this Agreement,

may be made with the consent of the Agent (acting on the instructions of the 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 10 Business Days (or such longer time period in relation to any request which the Borrowers and the Agent may agree) of that request being made:
- (i) its Commitment 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 27.4 (*Changes to reference rates*):
- “**Relevant Nominating Body**” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.
- “**Replacement Reference Rate**” means a reference rate which is:
- (a) formally designated, nominated or recommended as the replacement for the RFR by:
 - (i) the administrator of the RFR (provided that the market or economic reality that such reference rate measures is the same as that measured by the RFR); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Reference Rate” will be the replacement under sub-paragraph (ii) above;
 - (b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to the RFR; or
 - (c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor or alternative to the RFR.
- (e) In the event that there is no Term SOFR for the relevant Interest Period for a period of 45 days, the Borrowers and the Agent, acting with authorisation of the Lenders, shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for calculating the Estimated Interest Amount.

28 NOTICES

28.1 General

Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

28.2 Addresses for communications

A notice shall be sent:

- (a) to a Borrower: c/o Navios Shipmanagement Inc.
85 Akti Miaouli
Piraeus 185 38
Greece

Tel: +30 210 417 2050
Fax: +30 210 417 2070
E-mail: vpapaefthymiou@Navios.com;
legal_corp@Navios.com;

for the attention of: Vassiliki Papaefthymiou
- (b) to a Lender: At the address below its name in Schedule 1 or (as the case may require) in the relevant Transfer Certificate.
- (c) to the Bookrunner: Immeuble Océanie
9 rue du Débarcadère
93500 Pantin
France

Tel: +33 1 58 16 10 88
E-mail: paris.cib.agency.107musd.navios@bnpparibas.com

for the attention of: CIB - Agency EMEA
- (d) to the Co-ordinator: Immeuble Océanie
9 rue du Débarcadère
93500 Pantin
France

Tel: +33 1 58 16 10 88
E-mail: paris.cib.agency.107musd.navios@bnpparibas.com

for the attention of: CIB - Agency EMEA
- (e) to the Mandated Lead Arrangers: Immeuble Océanie
9 rue du Débarcadère
93500 Pantin
France

Tel: +33 1 58 16 10 88
E-mail: paris.cib.agency.107musd.navios@bnpparibas.com

for the attention of: CIB - Agency EMEA

12, Place des états-unis
CS 70052, 92547 Montrouge Cedex,
France

Tel:
Clementine Costil: +33141899047
Romy Roussel +33141890612
Email : clementine.costil@ca-cib.com;
romy.rousseau@ca-cib.com
Agency & Transaction Management
Financing and Client Services – FCS

(f) to the Agent:

Immeuble Océanie
9 rue du Débarcadère
93500 Pantin
France

Tel: +33 1 58 16 10 88
E-mail: paris.cib.agency.107musd.navios@bnpparibas.com

for the attention of: CIB - Agency EMEA

(g) to the Security Trustee:

Immeuble Océanie
9 rue du Débarcadère
93500 Pantin
France

Tel: +33 1 58 16 10 88
E-mail: paris.cib.agency.107musd.navios@bnpparibas.com

for the attention of: CIB - Agency EMEA

or to such other address as the relevant party may notify the Agent or, if the relevant party is the Agent or the Security Trustee, the Borrowers, the Lenders and the Security Parties.

28.3 Effective date of notices

Subject to Clauses 28.4 (*Service outside business hours*) and 28.5 (*Illegible notices*):

- (a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered; and
- (b) a notice which is sent by fax shall be deemed to be served, and shall take effect, 2 hours after its transmission is completed.

28.4 Service outside business hours

However, if under Clause 28.3 (*Effective date of notices*) a notice would be deemed to be served:

- (a) on a day which is not a business day in the place of receipt; or

- (b) on such a business day, but after 5 p.m. local time,
the notice shall (subject to Clause 28.5 (*Illegible notices*)) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a business day.

28.5 Illegible notices

Clauses 28.3 (*Effective date of notices*) and 28.4 (*Service outside business hours*) do not apply if the recipient of a notice notifies the sender within 1 hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

28.6 Valid notices

A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

- (a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or
- (b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

28.7 English language

Any notice under or in connection with a Finance Document shall be in English.

28.8 Meaning of “notice”

In this Clause “notice” includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

29 SUPPLEMENTAL

29.1 Rights cumulative, non-exclusive

The rights and remedies which the Finance Documents give to each Creditor Party are:

- (a) cumulative;
- (b) may be exercised as often as appears expedient; and
- (c) shall not, unless a Finance Document explicitly and specifically states so, be taken to exclude or limit any right or remedy conferred by any law.

29.2 Severability of provisions

If any provision of a Finance Document is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of that Finance Document or of the provisions of any other Finance Document.

29.3 Third party rights

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

29.4 Waiver of Banking Secrecy

The Borrowers hereby irrevocably authorise and give consent to the Agent and, each of its affiliates, and their respective subsidiaries, branches and representative offices and their respective directors, officers, employees and agents (the “**Authorised Persons**” and each an “**Authorised Person**”), to disclose and transmit to the Applicable Persons, whether orally, in writing or by any other means, information and documents which relates to, or are connected with, the Borrowers, their beneficial owner, any other member of the Group, their business, dealings or assets (the “**Information**”), from time to time and to the extent that the Authorised Person deems such disclosure or transmission to be necessary or desirable for or incidental to the carrying out of its duties, obligations, commitments and activities whether arising under contract or by operation of law and/or consolidated supervision and risk management policy, to the extent that the Information is covered by banking secrecy under any applicable law in general and French banking secrecy rules in particular and/or:

- (a) necessary or desirable for the purposes of its internal cross-selling enabling the Borrowers and/or any other member of the Group to benefit from the Agent’s or any other Authorised Person’s business activities; and/or
- (b) necessary or desirable to insure a risk related to the Borrowers and/or any other member of the Group; and/or
- (c) necessary or desirable to syndicate a risk related to the Borrowers and/or any other member of the Group; and/or
- (d) necessary or desirable to securitise a risk related to the Borrowers and/or any other member of the Group; and/or
- (e) necessary or desirable to open an account or to start a business relation with the Agent’s or any other Authorised Person’s parent company or any of its subsidiaries or branches.

In this Clause 29.4 (*Waiver of Banking Secrecy*), “**Applicable Person**” means any or all of the following persons:

- (i) any authority or person against which, pursuant to any applicable law, administrative order or court ruling, banking secrecy may not be validly asserted by an Authorised Person;
- (ii) the Agent’s or any other Authorised Person’s parent company, any of its subsidiaries, branches or representative offices;
- (iii) any rating agency, auditor, insurance and reinsurance company, broker or professional adviser, to the extent such entity or person is bound by a statutory or contractual duty of confidentiality;
- (iv) any financial institution and institutional or other investor who is or might be involved in securitisation schemes, hedging agreements, participations, credit derivatives or any other risk transfer or sharing arrangements, including, inter alia, a bank and/or other financial institution’s participation in, or syndication in respect of, the Loan;

- (v) any potential assignee or transferee or person who has entered into or is proposing to enter into contractual arrangements with the Authorised Person in relation to a Borrower; and
- (vi) any external computer services provider, for the purpose of maintenance or repair of the Agent's or any other Authorised Person's computer systems and data provided that such external computer services provider is bound by the confidentiality policy of BNP Paribas.

29.5 Counterparts

A Finance Document may be executed in any number of counterparts.

30 CONFIDENTIALITY

30.1 Confidential Information

Each Creditor Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clauses 30.2 (*Disclosure of Confidential Information*) and 30.3 (*Disclosure to numbering service providers*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information taking also into account the public nature of the Corporate Guarantor.

30.2 Disclosure of Confidential Information

Any Creditor Party may disclose:

- (a) to any of its affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, insurers, reinsurers, brokers, insurance brokers, reinsurance brokers, partners and Representatives such Confidential Information as that Creditor Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Borrowers and/or any Security Party and to any of that person's affiliates, Related Funds, Representatives and professional advisers;

- (iii) appointed by any Creditor Party or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) of paragraph (b) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Creditor Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 26.16 (*Security over Lenders' rights*), including to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to (or through) whom it creates Security Interest pursuant to Clause 26.16 (*Security over Lenders' rights*) and any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) may disclose such Confidential Information to a third party to whom it transfers (or may potentially transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security Interest;
- (viii) who is a party to a Finance Document, a member of the Group or any related entity of the Borrowers or any Security Party; or
- (ix) with the consent of the Borrowers;

in each case, such Confidential Information as that Creditor Party shall consider appropriate if:

- (A) in relation to sub-paragraphs (i), (ii) and (iii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to sub-paragraph (iv) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
- (C) in relation to 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 Creditor Party, it is not practicable so to do in the circumstances;

- (c) to any person appointed by that Creditor Party or by a person to whom 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 into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Creditor Party; and
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Borrowers and/or the Security Parties.

30.3 Disclosure to numbering service providers

- (a) Any Creditor Party may disclose to any national or international numbering service provider appointed by that Creditor Party to provide identification numbering services in respect of this Agreement, the Loan and/or the Borrowers and/or the Security Parties the following information:
 - (i) names of the Borrowers and the Security Parties;
 - (ii) country of domicile of the Borrowers and the Security Parties;
 - (iii) place of incorporation of the Borrowers and the Security Parties;
 - (iv) date of this Agreement;
 - (v) governing law;
 - (vi) the name of the Agent;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amount of the Loan;
 - (ix) amount of Total Commitments;
 - (x) currency of the Loan;
 - (xi) type of facility;
 - (xii) ranking of facility;
 - (xiii) final Repayment Date;
 - (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and

- (xv) such other information agreed between such Creditor Party and the Borrowers, to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The parties to this Agreement acknowledge and agree that each identification number assigned to this Agreement, the Loan and/or the Borrowers and/or any Security Party by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Borrowers represent that none of the information set out in sub-paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Borrowers and the other Creditor Parties of:
- (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Loan and/or the Borrowers and/or the Security Parties; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Loan and/or the Borrowers and/or the Security Parties by such numbering service provider.

30.4 Entire agreement

This Clause 30 (*Confidentiality*) constitutes the entire agreement between the parties to this Agreement in relation to the obligations of the Creditor Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

30.5 Inside information

Each of the Creditor Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Creditor Parties undertakes not to use any Confidential Information for any unlawful purpose.

30.6 Notification of disclosure

Each of the Creditor Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (v) of paragraph (b) of Clause 30.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 30.

30.7 Continuing obligations

The obligations in this Clause 30 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Creditor Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Borrowers and the Security Parties under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Creditor Party otherwise ceases to be a Creditor Party.

31 LAW AND JURISDICTION

31.1 English law

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

31.2 Exclusive English jurisdiction

Subject to Clause 31.3 (*Choice of forum for the exclusive benefit of the Creditor Parties*), the courts of England shall have exclusive jurisdiction to settle any Dispute.

31.3 Choice of forum for the exclusive benefit of the Creditor Parties

Clause 31.2 (*Exclusive English jurisdiction*) is for the exclusive benefit of the Creditor Parties, each of which reserves the right:

- (a) to commence proceedings in relation to any Dispute in the courts of any country other than England and which have or claim jurisdiction to that Dispute; and
- (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

No Borrower shall commence any proceedings in any country other than England in relation to a Dispute.

31.4 Process agent

Each Borrower irrevocably appoints Hill Dickinson Services (London) Limited at their office for the time being, presently at The Broadgate Tower 7th Floor, 20 Primrose Street, London, EC2A 2EW, England to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with a Dispute.

31.5 Creditor Party rights unaffected

Nothing in this Clause 31 (*Law and Jurisdiction*) shall exclude or limit any right which any Creditor Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

31.6 Meaning of “proceedings” and “Dispute”

In this Clause 31 (*Law and Jurisdiction*), “**proceedings**” means proceedings of any kind, including an application for a provisional or protective measure and a “**Dispute**” means any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) or any non-contractual obligation arising out of or in connection with this Agreement.

32 BAIL-IN

32.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to a Finance Document, each party hereto acknowledges and accepts that any liability of any party to a Finance Document under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

33 JOINT AND SEVERAL LIABILITY

33.1 General

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be several and, if and to the extent consistent with Clause 33.2 (*No impairment of Borrower’s obligations*), joint.

33.2 No impairment of Borrower’s obligations

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

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards any other Borrower;
- (b) any Creditor Party entering into any rescheduling, refinancing or other arrangement of any kind with any other Borrower;
- (c) any Creditor Party releasing any other Borrower or any Security Interest created by a Finance Document; or
- (d) any combination of the foregoing.

33.3 Principal debtors

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

33.4 Subordination

Subject to Clause 33.5 (*Borrower's required action*), during the Security Period, no Borrower shall:

- (a) claim any amount which may be due to it from any other Borrower whether in respect of a payment made, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or
- (b) take or enforce any form of security from any other Borrower for such an amount, or in any other way seek to have recourse in respect of such an amount against any asset of any other Borrower; or
- (c) set off such an amount against any sum due from it to any other Borrower; or
- (d) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving any other Borrower or other Security Party; or
- (e) exercise or assert any combination of the foregoing.

33.5 Borrower's required action

If during the Security Period, the Agent, by notice to a Borrower, requires it to take any action referred to in paragraphs (a) to (d) of Clause 33.4 (*Subordination*), in relation to any other Borrower, that Borrower shall take that action as soon as practicable after receiving the Agent's notice.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

BORROWERS

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
ZAKYNTHOS SHIPPING)
CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
PERSEPHONE SHIPPING)
CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
KERKYRA SHIPPING)
CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
CHERNAVA MARINE CORP.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
DUCALE MARINE INC.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
KLEIMAR NV)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
OPAL SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
IRIS SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
HIGHBIRD MANAGEMENT INC.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

LENDERS

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
BNP PARIBAS)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Stefanos-Max Konstantiniois
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Kachpani
duly authorised)
for and on behalf of)
FIRST-CITIZENS BANK & TRUST)
COMPANY)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

BOOKRUNNER

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
BNP PARIBAS)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

CO-ORDINATOR

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
BNP PARIBAS)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

MANDATED LEAD ARRANGERS

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
BNP PARIBAS)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Stefanos-Max Konstantiniois
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

AGENT

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
BNP PARIBAS)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SECURITY TRUSTEE

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
BNP PARIBAS)
in the presence of:)
Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

Addendum No.2 to
the Bareboat Charter Party dated 9th August 2019 (the "Charter")
World Star Shipping, S.A. as Owner (the "Owners") and
Samothrace Shipping Corporation as Charterer (as the "Charterers")
in respect of M.T. "NAVE PULSAR" (the "Vessel")

It is this day mutually agreed and accepted between World Star Shipping, S.A., as Owners, and Samothrace Shipping Corporation, as Charterers, that:

1. Clause 35 "CHARTER HIRE" shall be partially amended as follows.

Fixed (Principal) Part: USD5,450 per day; plus Floating (Interest) Part: (1 month USD CME TERM SOFR + 2.75% Margin + 0.11448% Adjustment Spread per annum) x Loan Outstanding on a Payment Date x number of days from that Payment Date until the following Payment Date divided by 360 days.

1 month CME TERM SOFR to be applied for the rate on the date of 5 banking days prior to the hire payment date. Should the 1 month CME TERM SOFR published by CME Group turn negative, then zero (0) to be applied for the calculating the floating part of the Charter Hire.

"Term SOFR" means the term SOFR reference rate administered and published by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate)

"Adjustment Spread" Means 0.11448% which is the value for 1-month USD-LIBOR published by Bloomberg calculated by the 5-year median approach setting the Announcement Date as the position date.

2. Clause 36 "PAYMENTS" (d) shall be amended as follows.

(d) In the event of failure by the Charterers to pay within three (3) Banking Days after the due date for payment thereof, or in the case of a sum payable on demand, the date of demand therefor, any hire or other amount payable by them under this Charter, the Charterers will pay to the Owners on demand interest on such hire or other amount from the date of such failure to the date of actual payment (both before and after any relevant judgement or winding up of the Charterers) at the rate determined by the Owners and certified by them to the Charterers (such certification to be conclusive in the absence of manifest error) to be aggregate of (1) two & one-half per centum (2½ %) and (ii) CME TERM SOFR for US Dollar deposits of not more than one month's duration (as selected by the Owners or their funders in the light of the likely duration of the default in question). Interest payable by the Charterers as aforesaid shall be compounded at such intervals as the Owners shall determine and shall be payable within seven (7) running days of the date of the Owners' invoice specifying the amount payable or, in the absence of an invoice, at the time of the next hire payment date.

3. Clause 40 "INSURANCE, TOTAL LOSS AND COMPULSORY ACQUISITION" (d) (i) (A) shall be amended as follows.

(A) immediately pay to the Owners all hire, and any other amounts, which have fallen due for payment under this Charter and have not been paid as at and up to the date on which the Total Loss or Compulsory Acquisition occurred (the "Date of Loss") together with interest thereon at CME TERM SOFR at such intervals, which amount to be agreed between the Owners and the Charterers and the Charterers shall cease to be under any liability to pay any hire, but not any other amounts, thereafter becoming due and payable under this Charter, Provided that all hire and any other amounts prepaid by the Charterers subsequent to the Date of Loss shall be forthwith refunded by the Owners:

4. Clause 49 "CHARTERERS' OPTION TO PURCHASE VESSEL" C: shall be amended as follows.

On top of above price, the floating(interest) part of (1 month USD CME TERM SOFR + 2.75% Margin + 0.11448% Adjustment Spread) Shall be added on prorate basis as set forth under clause 35.

All the amendments above shall be applicable from the next hire payment in July 2023.

All other terms, conditions and exceptions to the abovementioned Charter Party dated 9th August 2019 to remain unaltered and in full force.

In witness whereof, this Addendum has been executed the day and year below referred to by the duly authorized representatives of the parties hereto.

OWNERS:

World Star Shipping, S.A.

/s/ Koichiro Tamba

CHARTERERS:

Samothrace Shipping Corporation

/s/ Georgios Panagakis

Dated 27 June, 2023

ADDENDUM NO. 1 to Bare Boat Charter Party
Between BRIGHT CARRIER S.A. and Anafi Shipping Corporation.
Dated 4th July, 2022 (the "BBC").

IT IS THIS DAY MUTUALLY AGREED between **BRIGHT CARRIER S.A.** as Owners and **Anafi Shipping Corporation.** as Charterers as follows. Save as hereby supplemented, the BBC remains fully valid and binding.

This ADDENDUM NO. 1 is supplemental to and amends the BBC, and forms an integral part thereof. Unless otherwise defined herein terms and expressions used in this ADDENDUM NO.1 shall have the same meanings as used in the BBC.

1 Notwithstanding Clause 35 in the BBC, the said loan outstanding for interest portion shall be changed as follows.

((1.55%+0.11448%) + one (1) month CME TERM SOFR as applicable for the month in respect of which such Charter Hire is to be calculated)

Applicable One (1) month CME TERM SOFR to be confirmed 5 Banking days prior to the end of every month falling immediately the due date for Charter Hire of the calendar month. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least three (3) Banking Days before that due date.

2 All other terms, conditions remain in full force and effect.

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 12th hire with the interest period of 01 July, 2023 through 01 August, 2023.

This ADDENDUM NO. 1 shall be governed by English law as is the Charter Party.

For and on behalf of the Owners:
BRIGHT CARRIER S.A.

For and on behalf of the Charterers:
Anafi Shipping Corporation.

/s/ Katsutoshi Sugahara

/s/ Georgios Panagakis

By: Katsutoshi Sugahara

By:

Title: Attorney in fact

Title:

Dated 27 June, 2023

ADDENDUM NO. 1 to Bare Boat Charter Party
Between JUNO MARINE CORP. and Rumer Holding Ltd.
Dated 23rd December, 2021 (the "BBC")

IT IS THIS DAY MUTUALLY AGREED between **JUNO MARINE CORP.** as Owners and **Rumer Holding Ltd.** as Charterers as follows. Save as hereby supplemented, the BBC remains fully valid and binding.

This ADDENDUM NO. 1 is supplemental to and amends the BBC, and forms an integral part thereof. Unless otherwise defined herein terms and expressions used in this ADDENDUM NO.1 shall have the same meanings as used in the BBC.

- 1 Notwithstanding Clause 35 (ii) in the BBC, the said loan outstanding for interest portion shall be changed as follows.
 ((2.0%+0.11448%) + one (1) month CME TERM SOFR as applicable for the month in respect of which such Monthly Variable Hire is to be calculated)

Applicable One (1) month CME TERM SOFR to be confirmed 3 Banking days prior to the end of every month falling immediately the due date for Charter Hire of the calendar month. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least three (3) Banking Days before that due date.

- 2 All other terms, conditions remain in full force and effect.

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 19 hire with the interest period of 13 July, 2023 through 13 August, 2023.

This ADDENDUM NO. 1 shall be governed by English law as is the Charter Party.

For and on behalf of the Owners:
 JUNO MARINE CORP.

For and on behalf of the Charterers:
 Rumer Holding Ltd.

/s/ Masaki Watanabe

/s/ Georgios Panagakis

By: _____

By: _____

Title:

Title:

ADDENDUM No.1
To
MV Navios Alegria
Bareboat Charter Party dated 15th November, 2022

This Addendum, is made and entered into this 28 day of June, 2023 by and between Vatselo Enterprises Corp. of the Republic of the Marshall Islands (hereinafter called the “Charterers”) and Sealift Maritime S.A. of the Republic of Panama (hereinafter called the “Owners”),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 15th November, 2022 (hereinafter called the “BBCP”) for the bareboat charter of one (1) 84,852 DWT BULK CARRIER named as MV Navios Alegria, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the charter hire of the BBCP from “1 month ICE LIBOR + 2.0%” to “1 month CME TERM SOFR + (2.0%+0.11448%)”.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Clause 35(ii) shall be amended as per following.

35. CHARTER HIRE

Monthly Hire Rate

(ii) Monthly Variable Hire is calculated from the number of the days in any relevant month, and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month
 Daily Variable Hire = Charter Principal Balance x (2.11448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable one (1) month CME TERM SOFR to be confirmed fourteen (14) Banking Days prior to hire due date. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before such due date.

Charter Principal Balance means US\$24,000,000.- less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners for Vessel.

Should the CME TERM SOFR fail to negative interest rate, zero (0) is to be applied as CME TERM SOFR.

2. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 9th hire with the interest period of 13th August, 2023 through 13thSeptember, 2023.

3. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

4. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)
Sealift Maritime S.A.

Signature (Charterers)
Vatselo Enterprises Corp.

/s/ Masashi Yokoyama

/s/ Georgios Panagakis

By:

By:

Title:

Title:

ADDENDUM No.2
To
MV Navios Astra
Bareboat Charter Party dated 2nd September, 2021

This Addendum, is made and entered into this 28 day of June, 2023 by and between GODDESS SHIPTRADE INC. of the Republic of the Marshall Islands (hereinafter called the “Charterers”) and BRIGHT CARRIER S.A. of the Republic of the Marshall Islands (hereinafter called the “Owners”),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 2nd September, 2021 and amendment agreement (hereinafter collectively called the “BBCP”) for the bareboat charter of one (1) 181,000 DWT BULK CARRIER named as MV Navios Astra, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the charter hire of the BBCP from “1 month ICE LIBOR + 1.55%” to “1 month CME TERM SOFR + (1.55%+0.11448%)”.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Box 24. shall be amended as per following.

24. Rate of interest payable acc. To Cl.11 (f) and, if applicable, acc. to PART IV

1M CME TERM SOFR plus 1.66448%

2. Clause 36(1) II. shall be amended as per following.

36. HIRES AND EXTRA PAYMENTS

(1) Monthly Hire

II. Monthly Variable hire is calculated from the number of the days in any relevant month and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month.

Daily Variable Hire = Charter Principal Balance (the table of Charter Principal Balance shall be attached to this contract as appendix) x (1.66448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable 1M CME TERM SOFR to be confirmed 5 Banking days prior to the end of every month falling immediately before the due date for Charter Hire of the subsequent calendar month. The final monthly hire payment to be using the same last month interest. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least three (3) Banking Days before that due date.

Charter Principal Balance means USD 48,000,000 less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners.

Should the CME TERM SOFR falls to negative interest rate, zero (0) is to be applied as CME TERM SOFR.

3. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 12th hire with the interest period of 13th August, 2023 through 13th September, 2023.

4. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

5. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)
BRIGHT CARRIER S.A.

Signature (Charterers)
GODDESS SHIPTRADE INC.

/s/ Keiichi Sugahara

/s/ Georgios Panagakis

By:
Title:

By:
Title:

ADDENDUM No.1
To
MV Navios Canary
Bareboat Charter Party dated 27th November, 2019

This Addendum, is made and entered into this 28 day of June, 2023 by and between Vernazza Shiptrade Inc. of the Republic of the Marshall Islands (hereinafter called the “Charterers”) and Anchor Trans Inc. of the Republic of Panama (hereinafter called the “Owners”),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 27th November, 2019 (hereinafter called the “BBCP”) for the bareboat charter of one (1) 180,528 DWT BULK CARRIER named as MV Navios Canary, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the charter hire of the BBCP from “1 month ICE LIBOR + 2.0%” to “1 month CME TERM SOFR + (2.0%+0.11448%)”.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Clause 36(1) II. shall be amended as per following.

35. CHARTER HIRE

(ii) Monthly Variable Hire is calculated from the number of the days in any relevant month, and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month

Daily Variable Hire = Charter Principal Balance x (2.11448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable one (1) month CME TERM SOFR to be confirmed fourteen (14) Banking Days prior to hire due date. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before such due date.

Charter Principal Balance means US\$33,000,000.- less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners for Vessel.

Should the CME TERM SOFR fail to negative interest rate, zero (0) is to be applied as CME TERM SOFR.

2. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 44th hire with the interest period of 20th August, 2023 through 20th September, 2023.

3. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

4. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)
Anchor Trans Inc.

Signature (Charterers)
Vernazza Shiptrade Inc.

/s/ Takumi Watanabe

/s/ Georgios Panagakis

By:

By:

Title:

Title:

ADDENDUM No.1
To
MV Navios Corali
Bareboat Charter Party dated 13th February, 2020

This Addendum, is made and entered into this 28 day of June, 2023 by and between ROSELITE SHIPPING CORPORATION of the Republic of the Marshall Islands (hereinafter called the “Charterers”) and LUA LINE S.A., of the Republic of Panama and OKINO KAIUN CO., LTD. of Japan,

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 13th February, 2020 (hereinafter called the “BBCP”) for the bareboat charter of one (1) 180,249 DWT BULK CARRIER named as MV Navios Corali, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the charter hire of the BBCP from “1 month ICE LIBOR + 2.0%” to “1 month CME TERM SOFR + (2.0%+0.11448%)”.

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Clause 35(ii) shall be amended as per following.

35. CHARTER HIRE

Monthly Hire Rate

(ii) Monthly Variable Hire is calculated from the number of the days in any relevant month, and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month

Daily Variable Hire = Charter Principal Balance x (2.11448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable one (1) month CME TERM SOFR to be confirmed fourteen (14) Banking Days prior to hire due date. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before such due date.

Charter Principal Balance means US\$35,000,000.- less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners for Vessel.

Should the CME TERM SOFR fail to negative interest rate, zero (0) is to be applied as CME TERM SOFR.

2. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 42nd hire with the interest period of 09th August, 2023 through 09th September, 2023.

3. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

4. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)
LUA LINE S.A.
(as to 50% shares)

Signature (Charterers)
ROSELITE SHIPPING CORPORATION

/s/ Masanobu Okino

/s/ Georgios Panagakis

By:
Title:

By:
Title:

OKINO KAIUN CO., LTD.
(as to 50% shares)

/s/ Masanobu Okino

By:

Title:

Dated ___ June 2023

**EMERY SHIPPING CORPORATION
RONDINE MANAGEMENT CORP.
MANDORA SHIPPING LTD
SOLANGE SHIPPING LTD.
CHILALI CORP.
PANDORA MARINE INC.
MICAELA SHIPPING CORPORATION**
as joint and several Borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Mandated Lead Arranger

and

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as Agent and Security Trustee

LOAN AGREEMENT

relating to
a term loan facility of up to \$62,400,000 secured on
seven dry bulk vessels

**WATSON FARLEY
&
WILLIAMS**

Index

Clause	Page
1 Interpretation	2
2 Loan Facility	23
3 Position of the Lenders	24
4 Drawdown	25
5 Interest	26
6 Interest Periods	27
7 Changes to the Calculation of Interest	28
8 Repayment and Prepayment	29
9 Conditions Precedent	32
10 Representations and Warranties	33
11 General Undertakings	36
12 Corporate Undertakings	43
13 Insurance	44
14 Ship covenants	50
15 Security Cover	55
16 Payments and Calculations	57
17 Application of Earnings	59
18 Application of Receipts	61
19 Events of Default	62
20 Fees and Expenses	68
21 Indemnities	70
22 No Set-off or Tax Deduction	72
23 Illegality, etc	74
24 Increased Costs	75
25 Set-off	76
26 Transfers and Changes in Lending Offices	77
27 Variations and Waivers by majority lenders	81
28 Notices	84
29 Supplemental	86
30 Confidentiality	88
31 Law and Jurisdiction	92
32 Bail-In	93
33 Joint and Several Liability	93
Schedules	
Schedule 1 Lenders and Commitments	94
Schedule 2 Requests	95
Part A Drawdown Notice	95
Part B Selection Notice	97
Schedule 3 Condition Precedent Documents	98
Part A Conditions Precedent to Loan Agreement	98
Part B Conditions Precedent to Drawdown	100
Schedule 4 Transfer Certificate	102
Schedule 5 Timetables	106
Schedule 6 Vessel Details	107
Schedule 7 Account Details	109

THIS AGREEMENT is made on ____ June 2023

PARTIES

- (1) **EMERY SHIPPING CORPORATION, RONDINE MANAGEMENT CORP., MANDORA SHIPPING LTD, SOLANGE SHIPPING LTD., CHILALI CORP., PANDORA MARINE INC.** and **MICAELA SHIPPING CORPORATION**, each a corporation incorporated and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 as joint and several **Borrowers**;
- (2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 (*Lenders and Commitments*), as **Lenders**;
- (3) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre, as **Mandated Lead Arranger**; and
- (4) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre, as **Agent** and **Security Trustee**.

BACKGROUND

The Lenders have agreed to make available to the Borrowers, a secured term loan facility, in an aggregate amount not exceeding the lower of (i) \$ 62,400,000 and (ii) 50 per cent of the aggregate Initial Market Value of the Ships for the purpose of refinancing the Existing Indebtedness secured on the Ships.

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 Definitions

Subject to Clause 1.5 (*General Interpretation*), in this Agreement:

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

“**Account Bank**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre or any other bank or other financial institution acceptable to the Agent and the Borrowers;

“**Account Pledge**” means, in relation to each Account, a deed of pledge of that Account in such form as the Lenders may approve or require, and in the plural means all of them;

“**Agency and Trust Deed**” means the agency and trust deed dated the same date as this Agreement and made between the same parties;

“**Agent**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre or any successor of it appointed under clause 5 (*appointment of new servicing bank*) of the Agency and Trust Deed;

“**Annex VI**” means Annex VI of the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto;

“**Applicable Person**” has the meaning given in Clause 29.4 (*Waiver of Banking Secrecy*);

“**Approved Broker**” means any of Arrow Sale & Purchase (UK) Limited, Barry Rogliano Salles, Braemar ACM Valuations Limited, Clarkson Valuations Limited, E.A. Gibson Shipbrokers Ltd., Fearnleys AS, Galbraith’s Limited, Simpson Spence & Young Ltd., Howe Robinson Partners Marine Evaluations Ltd, Maersk Broker A/S and Affinity (Shipping) LLP (to include, in each case, their successors or assigns and such subsidiary or other company in the same corporate group through which valuations are commonly issued by each of these brokers), or such other first-class independent broker as the Borrowers and the Agent (acting on the instructions of the Majority Lenders) may agree in writing from time to time;

“**Approved Flag**” means, in relation to a Ship, the flag of the Marshall Islands, the flag of Liberia, the flag of Panama, the flag of Malta, the flag of Cyprus or such other flag as the Agent (acting on the instructions of the Majority Lenders) may approve as the flag on which that Ship is or, as the case may be, shall be registered;

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

“**Approved Manager**” means:

- (a) in respect of the management of each Ship, Navios Shipmanagement Holdings or any other company (for the avoidance of doubt, other than an affiliate or subsidiary of Navios Shipmanagement Holdings), which the Agent (acting on the instructions of the Majority Lenders) may approve from time to time as the manager of any Ship (such approval not required in respect of an affiliate or subsidiary of Navios Shipmanagement Holdings); and
- (b) in respect of the technical management of Ship A, Synergy Marine Pte. Ltd., a company incorporated in Singapore whose registered office is at 1 Kim Seng Promenade, #10-11/12, Great World City, Singapore 237994;

“Approved Manager’s Undertaking” means, in relation to a Ship, a letter of undertaking including, without limitation, an assignment of an Approved Manager’s rights, title and interest in the Insurances of the relevant Ship executed or to be executed by an Approved Manager in favour of the Agent and the Security Trustee agreeing certain matters in relation to an Approved Manager serving as the manager of that Ship and subordinating the rights of an Approved Manager against that Ship and that Borrower to the rights of the Creditor Parties under the Finance Documents, in such form as the Agent and the Security Trustee, with the authorisation of the Lenders, may approve or require and, in the plural, means all of them;

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

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

- (a) 30 June 2023 (or such later date as the Agent may, acting on the instructions of the Lenders, agree with the Borrowers); or
- (b) if earlier, the date on which the Total Commitments are fully borrowed, cancelled or terminated;

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

“Bail-In Legislation” means:

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

“Break Costs” means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or an Unpaid Sum to the last day of the current Interest Period in relation to the Loan, the relevant part of the Loan or that Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period

exceeds

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

“**Balloon Instalment**” has the meaning given to it in Clause 8.1 (*Amount of repayment instalments*);

“**Basel III**” means:

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

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

“**Borrower A**” means Emery Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower B**” means Rondine Management Corp., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower C**” means Mandora Shipping Ltd, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower D**” means Solange Shipping Ltd., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower E**” means Chilali Corp., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower F**” means Pandora Marine Inc., a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Borrower G**” means Micaela Shipping Corporation, a corporation incorporated and existing under the laws of the Marshall Islands having its registered address at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960;

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Paris, Athens and New York and (in relation to the fixing of an interest rate) a day which is a US Government Securities Business Day;

“**Charterparty**” means in relation to a Ship, any charterparty in respect of that Ship (including, without limitation, an Existing Charter) of a duration exceeding or capable of exceeding 12 months, made on terms and with a charterer acceptable in all respects to the Lenders;

“**Charterparty Assignment**” means in relation to a Ship, the deed of assignment of any Charterparty relating to that Ship in favour of the Security Trustee, in such form as the Lenders may approve or require;

“**Classification Society**” means a member of the IACS or any other classification society approved in writing by the Agent acting with the authorisation of the Majority Lenders;

“**Code**” means the United States Internal Revenue Code of 1986;

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

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Borrowers and the Agent;

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

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

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

- (i) information that:
- (A) is or becomes public information other than as a direct or indirect result of any breach by that Creditor Party of Clause 30 (*Confidentiality*); or
 - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
 - (C) is known by that Creditor Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Creditor Party after that date, from a source which is, as far as that Creditor Party is aware, unconnected with the Group and which, in either case, as far as that Creditor Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate;

“**Contractual Currency**” has the meaning given in Clause 21.4 (*Currency indemnity*);

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

“**Corporate Guarantee**” means the guarantee given or to be given by the Corporate Guarantor in favour of the Security Trustee, guaranteeing the obligations of the Borrowers under this Agreement and the other Finance Documents, in such form as the Lenders may approve or require;

“**Corporate Guarantor**” means Navios Maritime Partners L.P., a limited partnership formed and existing under the laws of the Marshall Islands whose registered address is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960, listed on the New York Stock Exchange;

“**CRD IV**” means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2003/87/EC and repealing Directive 2006/48/EC and 2006/29/EC;

“**Creditor Party**” means the Agent, the Security Trustee or any Lender, whether as at the date of this Agreement or at any later time;

“**CRR**” means Regulation (EU) No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No. 648/2012;

“**Designated Unitholder**” means Mrs Angeliki Frangou either directly or indirectly (through entities owned and controlled by her or trusts or foundations of which she is the beneficiary) and/or Navios Maritime Holdings Inc. or any of its affiliates being, either individually or together, the ultimate beneficial owner(s) of, or having ultimate control of the voting rights attaching to, at least 5 per cent. of all the common units in the Corporate Guarantor and in the plural means all of them;

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

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

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

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

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

“Earnings Account” means in relation to a Ship, an account in the name of the Borrower owning that Ship with the Account Bank as per Schedule 7 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces that Earnings Account and is designated by the Agent in writing as the Earnings Account in respect of that Ship for the purposes of this Agreement, and, in the plural, means all of them;

“EEA Member Country” means any member state of the European Union, Iceland, Liechtenstein and Norway;

“Environmental Claim” means:

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

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

“Environmental Incident” means in relation to a Ship:

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

- (c) any other incident in which Environmentally Sensitive Material is released otherwise than from that Ship and in connection with which that Ship is actually or potentially liable to be arrested and/or where the Borrower which is the owner thereof and/or any operator or manager of that Ship is at fault or allegedly at fault or otherwise liable to any legal or administrative action;

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

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

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

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

“**Existing Charter**” shall have the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Existing Charterer**” shall have the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Existing Indebtedness**” means:

- (a) in relation to Existing Loan Agreement A, at any date, the outstanding Financial Indebtedness of Borrower A, Borrower B, Borrower C and Borrower D, on that date under Existing Loan Agreement A amounting to \$42,800,000 at the date of this Agreement; and
- (b) in relation to Existing Loan Agreement B, at any date, the outstanding Financial Indebtedness of Borrower E, Borrower F and Borrower G on that date under Existing Loan Agreement B amounting to \$19,596,262 at the date of this Agreement;

“**Existing Loan Agreement**” means Existing Loan Agreement A or Existing Loan Agreement B and, in the plural, means all of them;

“**Existing Loan Agreement A**” means the loan agreement dated 23 March 2021 (as amended, supplemented and/or restated from time to time) and made between, amongst others, (i) Borrower A, Borrower B, Borrower C and Borrower D, as joint and several borrowers, (ii) Crédit Agricole Corporate and Investment Bank as lender and (iii) Crédit Agricole Corporate and Investment Bank as arranger, agent, account bank and security trustee relating to a term loan facility of (originally) \$58,000,000 secured on Ship A, Ship B, Ship C and Ship D;

“**Existing Loan Agreement B**” means the loan agreement dated 4 July 2019 (as amended and supplemented from time to time) and made between, amongst others, (i) Borrower E, Borrower F and Borrower G, as joint and several borrowers, (ii) Crédit Agricole Corporate and Investment Bank as lender and (iii) Crédit Agricole Corporate and Investment Bank as arranger, agent, account bank and security trustee relating to a term loan facility of (originally) \$52,800,000 secured on, among others, Ship E, Ship F and Ship G;

“**Existing Security Interest**” means any Security Interest created to secure any Existing Indebtedness;

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

“**FATCA**” means:

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

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

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

“**FATCA FFI**” means a foreign financial institution as defined in section 1471 (d)(4) of the Code which, if any Creditor Party is not a FATCA Exempt Party, could be required to make a FATCA Deduction;

“**Fee Letter**” means any letter or letters dated on or about the date of this Agreement setting out any of the fees payable by the Borrowers pursuant to this Agreement;

“**Final Maturity Date**” means the earlier of (i) the date falling 36 months from the Drawdown Date and (ii) 30 June 2026;

“**Finance Documents**” means:

- (a) this Agreement;
- (b) the Agency and Trust Deed;
- (c) any Fee Letter;
- (d) the Corporate Guarantee;
- (e) the General Assignments;
- (f) the Mortgages;

- (g) the Account Pledges;
- (h) the Charterparty Assignments;
- (i) the Approved Manager's Undertakings;
- (j) the Shares Security Deeds; and
- (k) any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower, the Corporate Guarantor, a Shareholder, an Approved Manager or any other person as security for, or to establish any form of subordination or priorities arrangement in relation to, any amount payable to the Lenders under this Agreement or any of the other documents referred to in this definition;

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

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

"Funding Rate" means any individual rate notified by a Lender to the Agent pursuant to sub-paragraph (ii) of paragraph (a) of Clause 7.3 (*Cost of funds*);

"General Assignment" means, in relation to a Ship, a general assignment of the Earnings, the Insurances and any Requisition Compensation, in such form as the Lenders may approve or require and, in the plural, means all of them;

"Group" means together, the Corporate Guarantor and its wholly-owned subsidiaries (direct or indirect) including, but not limited to, the Borrowers and the Shareholders from time to time during the Security Period and "**member of the Group**" shall be construed accordingly;

"Historic Term SOFR" means, in relation to the Loan or any part of the Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan and which is as of a day which is no more than three US Government Securities Business Days before the Quotation Day;

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

“**Initial Market Value**” means, in relation to a Ship, the Market Value thereof determined by taking the valuation of that Ship referred to in paragraph 5 of Schedule 3 (*Condition Precedent Documents*), Part B;

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

- (a) all policies and contracts of insurance, including entries of that Ship in any protection and indemnity or war risks association, which are effected in respect of that Ship, the Earnings or otherwise in relation to it whether before, on or after the date of this Agreement; and
- (b) all rights and other assets relating to, or derived from, any of the foregoing, including any rights to a return of a premium and any rights in respect of any claim whether or not the relevant policy, contract of insurance or entry has expired on or before the date of this Agreement;

“**Interest Payment Date**” has the meaning given to it in paragraph (a) of Clause 5.2 (*Payment of interest*);

“**Interest Period**” means, in relation to the Loan or any part of the Loan, each period determined in accordance with Clause 6 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 5.3 (*Default interest*);

“**Interpolated Historic Term SOFR**” means, in relation to the Loan or any part of the Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either:
 - (i) the most recent applicable Term SOFR (as of a day which is not more than three US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of the Loan or that part of the Loan; or
 - (ii) if no such Term SOFR is available for a period which is less than the Interest Period of the Loan or that part of the Loan, the most recent SOFR for a day which is no more than five US Government Securities Business Days (and no less than two US Government Securities Business Days) before the Quotation Day; and
- (b) the most recent applicable Term SOFR (as of a day which is not more than [three] US Government Securities Business Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of the Loan or that part of the Loan;

“**Interpolated Term SOFR**” means, in relation to the Loan or any part of the Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

- (a) either

- (i) the applicable Term SOFR (as of the Specified Time) for the longest period (for which Term SOFR is available) which is less than the Interest Period of the Loan or that part of the Loan; or
 - (ii) if no such Term SOFR is available for a period which is less than the Interest Period of the Loan or that part of the Loan, SOFR for the day which is two US Government Securities Business Days before the Quotation Day; and
- (b) the applicable Term SOFR (as of the Specified Time) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of the Loan or that part of the Loan;

“**ISM Code**” means, in relation to its application to the Borrowers, the Ships and their operation:

- (a) ‘The International Management Code for the Safe Operation of Ships and for Pollution Prevention’, currently known or referred to as the ‘ISM Code’, adopted by the Assembly of the International Maritime Organisation by Resolution A.741(18) on 4 November 1993 and incorporated on 19 May 1994 into chapter IX of the International Convention for the Safety of Life at Sea 1974 (SOLAS 1974); and
- (b) all further resolutions, circulars, codes, guidelines, regulations and recommendations which are now or in the future issued by or on behalf of the International Maritime Organisation or any other entity with responsibility for implementing the ISM Code, including without limitation, the ‘Guidelines on implementation or administering of the International Safety Management (ISM) Code by Administrations’ produced by the International Maritime Organisation pursuant to Resolution A.788(19) adopted on 25 November 1995,

as the same may be amended, supplemented or replaced from time to time;

“**ISM Code Documentation**” includes, in relation to a Ship:

- (a) the document of compliance (DOC) and safety management certificate (SMC) issued pursuant to the ISM Code within the periods specified by the ISM Code; and
- (b) all other documents and data which are relevant to the ISM SMS and its implementation and verification which the Agent may require; and
- (c) any other documents which are prepared or which are otherwise relevant to establish and maintain that Ship’s or that Borrower’s compliance with the ISM Code which the Agent may require;

“**ISM SMS**” means the safety management system which is required to be developed, implemented and maintained under the ISM Code;

“**ISPS Code**” means the International Ship and Port Facility Security Code constituted pursuant to resolution A.924 (22) of the International Maritime Organisation (“**IMO**”) adopted by a Diplomatic conference of the IMO on Maritime Security on 13 December 2002 and now set out in Chapter XI-2 of the Safety of Life at Sea Convention (SOLAS) 1974 (as amended) to take effect on 1 July 2004;

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

“**Lender**” means, subject to Clause 26.6 (*Lender re-organisation; waiver of Transfer Certificate*):

- (a) a bank or financial institution listed in Schedule 1 and acting through its branch or office indicated in Schedule 1 (*Lenders and Commitments*) (or through another branch notified to the Borrowers under Clause 26.14 (*Change of lending office*)) unless it has delivered a Transfer Certificate or Certificates covering the entire amounts of its Commitment and its Contribution; and
- (b) the holder for the time being of a Transfer Certificate;

“**LMA**” means the Loan Market Association or any successor organisation;

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

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

“**Majority Lenders**” means:

- (a) before the Loan has been made, Lenders whose Commitments total 76.1 per cent. of the Total Commitments; and
- (b) after the Loan has been made, Lenders whose Contributions total 76.1 per cent. of the Loan;

“**Mandated Lead Arranger**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France, registered under the SIREN No. 304 187 701 of the *Registre du Commerce et des Sociétés* of Nanterre;

“**Margin**” means 2.5 per cent. per annum;

“**Market Value**” means the market value of the Ship determined from time to time in accordance with Clause 15.4 (*Valuation of Ship*);

“**Minimum Liquidity**” has the meaning given in Clause 11.19 (*Minimum Liquidity*);

“**Mortgage**” means, in relation to a Ship, the first preferred or, as the case may be, priority ship mortgage and, if applicable, deed of covenant collateral thereto on that Ship, executed by the Borrower which is the owner thereof in favour of the Security Trustee or (as the case may be) the Lenders, in such form as the Lenders may approve or require and in the plural means all of them;

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

“**Notifying Lender**” has the meaning given in Clause 23.1 (*Illegality*) or Clause 24.2 (*Increased cost claims*) as the context requires;

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

“**Payment Currency**” has the meaning given in Clause 21.4 (*Currency indemnity*);

“**Permitted Security Interests**” means:

- (a) Security Interests created by the Finance Documents;
- (b) at any time prior to the Drawdown Date, any Existing Security Interest;
- (c) liens for unpaid crew’s wages in accordance with usual maritime practice;
- (d) liens for salvage;
- (e) liens arising by operation of law for not more than 2 months’ prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;
- (f) liens for master’s disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 45 days overdue (unless the overdue amount is being contested by the relevant Borrower in good faith by appropriate steps) and subject, in the case of liens for repair or maintenance, to paragraph (g) of Clause 14.13 (*Restrictions on chartering, appointment of managers etc.*);
- (g) any Security Interest created in favour of a plaintiff or defendant in any action of the court or tribunal before whom such action is brought as security for costs and expenses where the relevant Borrower is prosecuting or defending such action in good faith by appropriate steps; and
- (h) Security Interests arising by operation of law in respect of taxes which are not overdue for payment other than taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made;

“**Person**” has the meaning given to it in Clause 10.18 (*Sanctions*);

“**Pertinent Jurisdiction**”, in relation to a company, means:

- (a) England and Wales;
- (b) the country under the laws of which the company is incorporated or formed;
- (c) a country in which the company’s central management and control is or has recently been exercised;
- (d) a country in which the overall net income of the company is subject to corporation tax, income tax or any similar tax;
- (e) a country in which assets of the company (other than securities issued by, or loans to, related companies) having a substantial value are situated, in which the company maintains a permanent place of business, or in which a Security Interest created by the company must or should be registered in order to ensure its validity or priority; and

- (f) a country the courts of which have jurisdiction to make a winding up, administration or similar order in relation to the company or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (b) or (c) above;

“**Poseidon Principles**” means the financial industry framework for assessing and disclosing the climate alignment of ship finance portfolios published in June 2019 as the same may be amended or replaced to reflect changes in applicable law or regulation or the introduction of or changes to mandatory requirements of the International Maritime Organisation from time to time;

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

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two US Government Securities Business Days before the first day of that period unless market practice differs in the relevant syndicated loan market in which case the Quotation Day will be determined by the Agent in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

“**Reference Rate**” means, in relation to the Loan or any part of the Loan:

- (a) the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of the Loan or that part of the Loan; or
- (b) as otherwise determined pursuant to Clause 7.1 (*Unavailability of Term SOFR*),

and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero;

“**Related Fund**” in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Person**” has the meaning given in Clause 19.9 (*Relevant Persons*);

“**Relevant Market**” means the market for overnight cash borrowing collateralised by US Government Securities;

“**Repayment Date**” means a date on which a repayment is required to be made under Clause 8 (*Repayment and Prepayment*);

“**Repayment Instalment**” has the meaning given to it in Clause 8.1 (*Amount of repayment instalments*);

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian;

“Resolution Authority” means any body which has authority to exercise any Write-down and Conversion Powers;

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

“Retention Account” means an account in the joint names of the Borrowers with the Account Bank as per Schedule 7 (*Account Details*), or any other account (with that or another office of the Account Bank) which replaces this account and is designated by the Agent as the Retention Account for the purposes of this Agreement;

“Sanctioned Person” has the meaning given to it in Clause 10.18 (*Sanctions*);

“Sanctioned Country” has the meaning given to it in Clause 10.18 (*Sanctions*);

“Sanctions” means any economic or trade sanctions or restrictive measures enacted, administered, imposed or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC), the U.S. Department of State, the United Nations Security Council and/or the European Union and/or, if applicable to any Borrower or Creditor Party, any of its member states and/or Her Majesty’s Treasury and/or the French Republic or other relevant sanctions authority;

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

“Security Cover Ratio” means, at any relevant time, the aggregate of:

- (a) the aggregate of the Market Value of the Ships; plus
- (b) the net realisable value of any additional security provided at that time under Clause 15 (*Security Cover*),

expressed as a percentage of the Loan;

“Security Interest” means:

- (a) a mortgage, charge (whether fixed or floating) or pledge, any maritime or other lien or any other security interest of any kind; and
- (b) the rights of the plaintiff under an action *in rem* in which the vessel concerned has been arrested or a writ has been issued or similar step taken;

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

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

- (a) all amounts which have become due for payment by a Borrower or any Security Party under the Finance Documents have been paid;
- (b) no amount is owing or has accrued (without yet having become due for payment) under any Finance Document;
- (c) no Borrower nor any Security Party has any future or contingent liability under Clause 20 (*Fees and Expenses*), 21 (*Indemnities*) or 22 (*No Set-off or Tax Deduction*) below or any other provision of this Agreement or another Finance Document; and
- (d) the Agent, the Security Trustee and the Lenders do not consider that there is a significant risk that any payment or transaction under a Finance Document would be set aside, or would have to be reversed or adjusted, in any present or possible future bankruptcy of a Borrower or a Security Party or in any present or possible future proceeding relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created by a Finance Document;

“**Security Trustee**” means Crédit Agricole Corporate and Investment Bank, a *société anonyme* incorporated under the laws of France acting through its office at 12 place des Etats-Unis, CS 70052, 92547 Montrouge Cedex, France or any successor of it appointed under clause 5 (*appointment of new servicing bank*) of the Agency and Trust Deed;

“**Selection Notice**” means a notice substantially in the form set out in Part B of Schedule 2 (*Requests*) given in accordance with Clause 6 (*Interest Periods*);

“**Shareholder**” means in relation to a Borrower, Navios Maritime Operating L.L.C., a limited liability company formed 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 Deed**” means, in respect of all the issued shares in each Borrower, a pledge of such shares executed or to be executed by the relevant Shareholder in favour of the Security Trustee, in such form as the Lenders may approve or require;

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

“**Ship A**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Ship B**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Ship C**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Ship D**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Ship E**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Ship F**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**Ship G**” has the meaning given to that term in Schedule 6 (*Vessel Details*);

“**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);

“**Specified Time**” means a day or time determined in accordance with Schedule 5 (*Timetables*);

“**Statement of Compliance**” means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI;

“**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);

“**Total Loss**” means in relation to a Ship:

- (a) actual, constructive, compromised, agreed or arranged total loss of that Ship;
- (b) any expropriation, confiscation, requisition or acquisition of a Ship whether for full consideration, a consideration less than its proper value, a nominal consideration or without any consideration, which is effected by any government or official authority or by any person or persons claiming to be or to represent a government or official authority, excluding a requisition for hire for a fixed period not exceeding one year without any right to an extension unless a Ship is within 30 days redelivered to the full control of the Borrower owning that Ship;
- (c) any condemnation of that Ship by any tribunal or by any person or person claiming to be a tribunal; and
- (d) any capture, seizure or confiscation of that Ship (including any hijacking or theft) unless it is within the Relevant Period redelivered to the full control of the Borrower owning that Ship.

In this definition “**Relevant Period**” means in the case of piracy or capture, seizure or confiscation of a Ship (including any hijacking or theft) 90 days **Provided that** if the relevant underwriters confirm to the Agent in writing prior to the end of the 90-day period referred to in (i) above that the relevant Ship is subject to an approved piracy insurance cover, the earlier of 12 months after the date on which that Ship is captured by pirates and the date on which the piracy insurance cover expires;

“**Total Loss Date**” means in relation to a Ship:

- (a) in the case of an actual loss, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) the date on which a notice of abandonment is given to the insurers; and
 - (ii) the date of any compromise, arrangement or agreement made by or on behalf of the Borrower owning that Ship, with that Ship’s insurers in which the insurers agree to treat that Ship as a total loss; and
- (c) in the case of any other type of total loss, on the earlier of:
 - (i) the date at which a total loss is subsequently admitted by such insurers;
 - (ii) the date at which a total loss is subsequently adjudged by a competent court of law or arbitration tribunal to have occurred, if such insurers do not immediately admit such claim; or
 - (iii) the date (or the most likely date) on which it appears to the Agent that the event constituting the total loss occurred;

“**Transfer Certificate**” has the meaning given in Clause 26.2 (*Transfer by a Lender*);

“**Trust Property**” has the meaning given in clause 3.1 (*definition of “Trust Property”*) of the Agency and Trust Deed;

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

“**Unpaid Sum**” means any sum due and payable but unpaid by a Borrower or any Security Party under the Finance Documents;

“**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 GAAP**” means generally accepted international accounting principles as from time to time in effect in the United States of America;

“**US Tax Obligor**” means:

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

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to 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 of certain terms

In this Agreement:

“**approved**” means, for the purposes of Clause 13 (*Insurance*), approved in writing by the Agent;

“**asset**” includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;

“**company**” includes any partnership, joint venture and unincorporated association;

“**consent**” includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

“**contingent liability**” means a liability which is not certain to arise and/or the amount of which remains unascertained;

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;

“**document**” includes a deed; also a letter or fax;

“**excess risks**” means, in relation to a Ship, the proportion of claims for general average, salvage and salvage charges not recoverable under the hull and machinery policies in respect of the Ship in consequence of its insured value being less than the value at which the Ship is assessed for the purpose of such claims;

“**expense**” means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;

“**law**” includes any form of delegated legislation, any order or decree, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;

“**legal or administrative action**” means any legal proceeding or arbitration and any administrative or regulatory action or investigation;

“**liability**” includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;

“**months**” shall be construed in accordance with Clause 1.3 (*Meaning of “month”*);

“**obligatory insurances**” means, in relation to a Ship, all insurances effected, or which the Borrower owning that Ship, is obliged to effect, under Clause 13 (*Insurance*) or any other provision of this Agreement or another Finance Document;

“**parent company**” has the meaning given in Clause 1.4 (*Meaning of “subsidiary”*);

“**person**” includes any individual, any entity, any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;

“**policy**”, in relation to any insurance, includes a slip, cover note, certificate of entry or other document evidencing the contract of insurance or its terms;

“**protection and indemnity risks**” means the usual risks covered by a protection and indemnity association, which is a member of the International Group of P&I Clubs, including pollution risks and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them of clause 6 of the International Hull Clauses (1/11/02) (1/11/03), clause 8 of the Institute Time Clauses (Hulls) (1/10/83) (1/11/95) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

“**regulation**” includes any regulation, rule, official directive, request or guideline (either having the force of law or compliance with which is reasonable in the ordinary course of business of the party concerned) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

“**subsidiary**” has the meaning given in Clause 1.4 (*Meaning of “subsidiary”*);

“**successor**” includes any person who is entitled (by assignment, novation, merger or otherwise) to any other person’s rights under this Agreement or any other Finance Document (or any interest in those rights) or who, as administrator, liquidator or otherwise, is entitled to exercise those rights; and in particular references to a successor include a person to whom those rights (or any interest in those rights) are transferred or pass as a result of a merger, division, reconstruction or other reorganisation of it or any other person;

“**tax**” includes any present or future tax, duty, impost, levy or charge of any kind which is imposed by any state, any political sub-division of a state or any local or municipal authority (including any such imposed in connection with exchange controls), and any connected penalty, interest or fine;

“**war risks**” includes the risk of mines and all risks excluded by clauses 29, 30 or 31 of the International Hull Clauses (1/11/02), clauses 29 or 30 of the International Hull Clauses (1/11/03), clauses 24, 25 or 26 of the Institute Time Clauses (Hulls) (1/11/95) or clauses 23, 24 or 25 of the Institute Time Clauses (Hulls) (1/10/83) or any equivalent provision; and

“**which is continuing**” or “**is continuing**”, a Potential Event of Default is continuing if it has not been remedied or waived and an Event of Default is “**continuing**” if it has not been waived.

1.3 **Meaning of “month”**

“**month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last month of any period within which month an Interest Payment Date falls.

1.4 Meaning of “subsidiary”

A company (S) is a subsidiary of another company (P) if:

- (a) a majority of the issued shares in S (or a majority of the issued shares in S which carry unlimited rights to capital and income distributions) are directly owned by P or are indirectly attributable to P; or
 - (b) P has direct or indirect control over a majority of the voting rights attached to the issued shares of S;
- and any company of which S is a subsidiary is a parent company of S **Provided** that there shall be excluded from this definition any subsidiaries which are listed on a public stock exchange.

1.5 General Interpretation

- (a) In this Agreement:
 - (i) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;
 - (ii) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise; and
 - (iii) words denoting the singular number shall include the plural and vice versa.
- (b) Clauses 1.1 (*Definitions*) to 1.4 (*Meaning of “subsidiary”*) and paragraph (a) of this Clause 1.5 (*General Interpretation*) apply unless the contrary intention appears.
- (c) References in Clause 1.1 (*Definitions*) to a document being in the form of a particular Appendix include references to that form with any modifications to that form which the Agent (with the authorisation of the Lenders in the case of substantial modifications) approves or requires.
- (d) The clause headings shall not affect the interpretation of this Agreement.

2 LOAN FACILITY

2.1 Amount of loan facility

Subject to the other provisions of this Agreement, the Lenders shall make a term loan facility in an aggregate amount not exceeding the Total Commitments.

2.2 Lenders’ participations in Loan

- (a) Subject to the other provisions of this Agreement, each Lender shall participate in the Loan in the proportion which, as at the Drawdown Date, its Commitment bears to the Total Commitments.
- (b) The Agent shall notify each Lender of the amount of its Commitment and the amount of its participation in the Loan by the Specified Time.

2.3 Purpose of Loan

The Borrowers undertake with each Creditor Party to use the Loan only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 Interests of Lenders several

The rights of the Creditor Parties under this Agreement are several; accordingly each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Security Trustee or any other Creditor Party as additional parties in the proceedings, save that the Security Interests created by any of the Finance Documents may only be enforced in accordance with Clause 19.2 (*Actions following an Event of Default*).

3.2 Proceedings by individual Creditor Party

However, without the prior consent of the Lenders, no Creditor Party may bring proceedings in respect of:

- (a) any other liability or obligation of any Borrower or a Security Party under or connected with a Finance Document; or
- (b) any misrepresentation or breach of warranty by any Borrower or a Security Party in or connected with a Finance Document.

3.3 Obligations of Creditor Parties several

The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

- (a) the obligations of the other Lenders being increased; nor
- (b) a Borrower, any Security Party or any other Lender being discharged (in whole or in part) from its obligations under any Finance Documents, and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

3.4 Parties bound by certain actions of Lenders

Every Lender, each Borrower and each Security Party shall be bound by:

- (a) any determination made, or action taken, by the Lenders under any provision of a Finance Document;
- (b) any instruction or authorisation given by the Lenders to the Agent or the Security Trustee under or in connection with any Finance Document; and
- (c) any action taken (or in good faith purportedly taken) by the Agent or the Security Trustee in accordance with such an instruction or authorisation.

3.5 Reliance on action of Agent

However, each Borrower and each Security Party:

- (a) shall be entitled to assume that the Lenders have duly given any instruction or authorisation which, under any provision of a Finance Document, is required in relation to any action which the Agent has taken or is about to take; and
- (b) shall not be entitled to require any evidence that such an instruction or authorisation has been given.

3.6 Construction

In Clauses 3.4 (*Parties bound by certain actions of Lenders*) and 3.5 (*Reliance on action of Agent*) references to action taken include (without limitation) the granting of any waiver or consent, an approval of any document and an agreement to any matter.

4 DRAWDOWN

4.1 Request for advance of Loan

- (a) Subject to the following conditions, the Borrowers may request the Loan to be advanced by ensuring that the Agent receives a completed Drawdown Notice not later than the Specified Time (or such other shorter period as the Lenders may agree).
- (b) The Borrowers may not deliver more than one Drawdown Notice.

4.2 Availability

The conditions referred to in Clause 4.1 (*Request for advance of Loan*) are that:

- (a) the Drawdown Date has to be a Business Day during the Availability Period;
- (b) the amount of the Loan shall not exceed the lower of (i) \$62,400,000 and (ii) 50 per cent. of the aggregate Initial Market Value of the Ships;
- (c) the Loan shall be made available in a single amount; and
- (d) the amount of the Loan shall not exceed the Total Commitments.

4.3 Notification to Lenders of receipt of a Drawdown Notice

The Agent shall promptly notify the Lenders that it has received a Drawdown Notice and shall inform each Lender of:

- (a) the amount of the Loan and the Drawdown Date;
- (b) the amount of that Lender's participation in the Loan; and
- (c) the duration of the first Interest Period.

4.4 Drawdown Notice irrevocable

A Drawdown Notice must be signed by an officer or other authorised person of each Borrower; and once served a Drawdown Notice cannot be revoked without the prior consent of the Agent, acting on the authority of the Majority Lenders.

4.5 Lenders to make available Contributions

Subject to the provisions of this Agreement, each Lender shall, on and with value on the Drawdown Date, make available to the Agent for the account of the Borrowers the amount due from that Lender under Clause 2.2 (*Lenders' participations in Loan*).

4.6 Disbursement of Loan

Subject to the provisions of this Agreement, the Agent shall on the Drawdown Date pay to the Borrowers the amounts which the Agent receives from the Lenders under Clause 4.5 (*Lenders to make available Contributions*); and that payment to the Borrowers shall be made:

- (a) to the account which the Borrowers specify in the Drawdown Notice; and
- (b) in the like funds as the Agent received the payments from the Lenders.

4.7 Disbursement of Loan to third party

The payment by the Agent under Clause 4.6 (*Disbursement of Loan*) to any third party specified by the Borrowers in the Drawdown Notice shall constitute the making of the Loan and the Borrowers shall at that time become indebted, as principal and direct obligors, to each Lender in an amount equal to that Lender's Contribution.

5 INTEREST

5.1 Calculation of interest

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

- (i) the Margin; and
- (ii) the Reference Rate.

5.2 Payment of interest

- (a) The Borrowers shall pay accrued interest on the Loan or any part of the Loan on the last day of each Interest Period (each an "**Interest Payment Date**").
- (b) If an Interest Period is longer than three months, the Borrowers shall also pay interest then accrued on the Loan or the relevant part of the Loan on the dates falling at three monthly intervals after the first day of the Interest Period.

5.3 Default interest

- (a) If a Borrower or a Security Party fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is two per cent. per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted part of the Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent. Any interest accruing under this Clause 5.3 (*Default interest*) shall be immediately payable by the Borrowers on demand by the Agent.

- (b) If an Unpaid Sum consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period relating to the Loan or that part of the Loan:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan or that part of the Loan; and
 - (ii) the rate of interest applying to that Unpaid Sum during that first Interest Period shall be two per cent. per annum higher than the rate which would have applied if that Unpaid Sum had not become due.
- (c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

5.4 Notification of rates of interest

- (a) The Agent shall promptly notify the Lenders and the Borrowers of the determination of a rate of interest under this Agreement.
- (b) The Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan, any part of the Loan or any Unpaid Sum.

6 INTEREST PERIODS

6.1 Selection of Interest Periods

- (a) The Borrowers may select the Interest Period for the Loan in the Drawdown Notice. Subject to paragraph (f) below and Clause 6.2 (*Changes to Interest Periods*), the Borrowers may select each subsequent Interest Period in respect of the Loan in a Selection Notice.
- (b) Each Selection Notice is irrevocable and must be delivered to the Agent by the Borrowers not later than the Specified Time.
- (c) If the Borrowers fail to select an Interest Period in the Drawdown Notice or fail to deliver a Selection Notice to the Agent in accordance with paragraphs (a) and (b) above, the relevant Interest Period will, subject to paragraph (f) below and Clause 6.2 (*Changes to Interest Periods*), be three months.
- (d) Subject to this Clause 6 (*Interest Periods*), the Borrowers may select an Interest Period of three or six months or any other period agreed between the Borrowers, the Agent and the Lenders.
- (e) An Interest Period in respect of the Loan or any part of the Loan shall not extend beyond the Final Maturity Date.
- (f) In respect of a Repayment Instalment, the Borrowers may request in the relevant Selection Notice that an Interest Period for a part of the Loan equal to such Repayment Instalment shall end on the Repayment Date relating to it and, subject to paragraph (d) above, select a longer Interest Period for the remaining part of the Loan.

- (g) The first Interest Period for the Loan shall start on the Drawdown Date and each subsequent Interest Period shall start on the last day of the preceding Interest Period.
- (h) Except for the purposes of paragraph (f) above and Clause 6.2 (*Changes to Interest Periods*), the Loan shall have one Interest Period only at any time.

6.2 Changes to Interest Periods

- (a) In respect of a Repayment Instalment, prior to determining the interest rate for the Loan, the Agent may establish an Interest Period for a part of the Loan equal to such Repayment Instalment to end on the Repayment Date relating to it and the remaining part of the Loan shall have the Interest Period selected in the relevant Selection Notice, subject to paragraph (d) of Clause 6.1 (*Selection of Interest Periods*).
- (b) If the Agent makes any change to an Interest Period referred to in this Clause 6.2 (*Changes to Interest Periods*), it shall promptly notify the Borrowers and the Lenders.

6.3 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

7 CHANGES TO THE CALCULATION OF INTEREST

7.1 Unavailability of Term SOFR

- (a) *Interpolated Term SOFR*: If no Term SOFR is available for the Interest Period of the Loan or any part of the Loan, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan.
- (b) *Historic Term SOFR*: If no Term SOFR is available for the Interest Period of the Loan or any part of the Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for the Loan or that part of the Loan.
- (c) *Interpolated Historic Term SOFR*: If paragraph (b) above applies but no Historic Term SOFR is available for the Interest Period of the Loan or any part of the Loan, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of the Loan or that part of the Loan.
- (d) *Cost of funds*: If paragraph (c) above applies but it is not possible to calculate the Interpolated Historic Term SOFR, there shall be no Reference Rate for the Loan or that part of the Loan (as applicable) and Clause 7.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan for that Interest Period.

7.2 Market disruption

If before close of business in Paris on the Quotation Day for the relevant Interest Period, the Agent receives notification from a Lender or Lenders that its cost of funds relating to its participation in the Loan or that part of the Loan would be in excess of the Reference Rate then Clause 7.3 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

7.3 Cost of funds

- (a) If this Clause 7.3 (*Cost of funds*) applies, the rate of interest on the Loan or the relevant part of the Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
- (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event 2 Business Days before interest is due to be paid in respect of that Interest Period to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in the Loan or that part of the Loan.
- (b) If this Clause 7.3 (*Cost of funds*) applies and the Agent or the Borrowers so require, the Agent and the Borrowers shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest or (as the case may be) an alternative basis for funding.
- (c) Subject to Clause 27.4 (*Changes to reference rates*), any substitute or alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrowers, be binding on all Parties.
- (d) If paragraph (e) below does not apply and any rate notified to the 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 7.3 (*Cost of funds*) applies pursuant to Clause 7.2 (*Market disruption*) and a Lender's Funding Rate is less than the Reference Rate, that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be the Reference Rate.
- (f) If this Clause 7.3 (*Cost of funds*) applies but any Lender does not notify a rate to the Agent by the time specified in sub-paragraph (ii) of paragraph (a) above the rate of interest shall be calculated on the basis of the rates notified by the remaining Lenders.

7.4 Break Costs

- (a) The Borrowers shall, within three Business Days of demand by a Creditor Party, pay to that Creditor Party its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrowers on a day prior to the last day of an Interest Period for the Loan, the relevant part of the Loan or that Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become or may become payable.

8 REPAYMENT AND PREPAYMENT

8.1 Amount of repayment instalments

The Borrowers shall repay the Loan by:

(a) 12 equal consecutive quarterly instalments (each a “**Repayment Instalment**” and together, the “**Repayment Instalments**”) each in the amount of \$2,750,000 each; and

(b) a balloon instalment in the amount of up to \$29,400,000 (the “**Balloon Instalment**”),

provided that if the amount of the Loan actually drawn down is less than \$62,400,000 each Repayment Instalment and the Balloon Instalment shall be reduced pro rata by an amount in aggregate equal to the undrawn amount.

8.2 Repayment Dates

The first Repayment Instalment shall be repaid on the date falling three months after the Drawdown Date with the remaining Repayment Instalments to be repaid at 3-monthly intervals thereafter and the last Repayment Instalment together with the Balloon Instalment shall be repaid on the Final Maturity Date.

8.3 Final Repayment Date

On the final Repayment Date, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 Voluntary prepayment

Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period in respect thereof.

8.5 Conditions for voluntary prepayment

The conditions referred to in Clause 8.4 (*Voluntary prepayment*) are that:

(a) a partial prepayment shall be \$1,000,000 or an integral multiple of \$1,000,000;

(b) the Agent has received from the Borrowers at least three Business Days’ prior written notice specifying the amount to be prepaid and the date on which the prepayment is to be made (such date shall be the last day of an Interest Period); and

(c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by the Borrowers or any Security Party in connection with the prepayment has been obtained and remains in force, and that any requirement relevant to this Agreement which affects the Borrowers or any Security Party has been complied with.

8.6 Effect of notice of prepayment

A prepayment notice may not be withdrawn or amended without the consent of the Agent, given with the authority of the Majority Lenders, and the amount specified in the prepayment notice shall become due and payable by the Borrowers on the date for prepayment specified in the prepayment notice.

8.7 Notification of notice of prepayment

The Agent shall notify the Lenders promptly upon receiving a prepayment notice and shall provide any Lender which so requests with a copy of any document delivered by the Borrowers under paragraph (c) of Clause 8.5 (*Conditions for voluntary prepayment*).

8.8 Mandatory prepayment

The Borrowers shall be obliged to prepay the Relevant Amount:

- (a) in the case of a sale, on or before the date on which the sale is completed by delivery of that Ship to the buyer; or
- (b) in the case of a Total Loss, on the earlier of the date falling 180 days after the Total Loss Date and the date of receipt by the Security Trustee of the proceeds of insurance relating to such Total Loss.

In this Clause 8.8 (*Mandatory prepayment*):

“**Relevant Amount**” means:

- (a) an amount equal to the higher of:
 - (i) the Relevant Fraction of the Loan on the date on which the relevant Ship is sold or becomes a Total Loss; and
 - (ii) an amount which after the application of the prepayment to be made pursuant to paragraph (b) of Clause 8.10 (*Application of partial prepayment*) results in the Security Cover Ratio being at least equal to the greater of (A) the Security Cover Ratio required to be maintained under Clause 15.1 (*Minimum required security cover*) and (B) the percentage which applied immediately prior to the applicable event described in paragraph (a) or (b) of this Clause 8.8 (*Mandatory prepayment*); or
- (b) if the relevant Ship is the last Ship subject to a Mortgage, the whole of the Loan.

“**Relevant Fraction**” means a fraction of which the numerator is the Market Value of the Ship which is sold or becomes a Total Loss and the denominator is the aggregate of (A) the Market Value of the other Ships then subject to a Mortgage and (B) the Market Value of that Ship.

8.9 Amounts payable on prepayment

A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 (*Indemnities*) below or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period together with any Break Costs, without premium or penalty.

8.10 Application of partial prepayment

Any partial prepayment shall be applied:

- (a) if made pursuant to Clause 8.4 (*Voluntary prepayment*), *pro rata* against the then outstanding Repayment Instalments and the Balloon Instalment or in such other manner as the Agent (acting on the instructions of the Lenders) may agree with the Borrowers;
- (b) if made pursuant to Clause 8.8 (*Mandatory prepayment*), *pro rata* against the Repayment Instalments and the Balloon Instalment or in such other manner as the Agent (acting on the instructions of the Lenders) may agree with the Borrowers and after the repayment of any overdue interest, any accrued interest relating to the Loan, any other costs, fees, expenses, commissions due under this Agreement, any surplus shall be released to the Borrowers, **provided that** no Event of Default or Potential Event of Default has occurred or is continuing.

8.11 No reborrowing

No amount repaid or prepaid may be reborrowed.

9 CONDITIONS PRECEDENT

9.1 Documents, fees and no default

Each Lender's obligation to contribute to the Loan is subject to the following conditions precedent:

- (a) that on or before the date of this Agreement, the Agent receives:
 - (i) the documents described in Part A of Schedule 3 (*Condition Precedent Documents*) in a form and substance satisfactory to the Agent and its lawyers; and
 - (ii) the upfront fee referred to in Clause 20.1 (*Upfront fee*);
- (b) that, before or on the Drawdown Date, the Agent receives the documents described in Part B of Schedule 3 (*Condition Precedent Documents*) in form and substance satisfactory to the Agent and its lawyers;
- (c) that at the date of the Drawdown Notice and at the Drawdown Date:
 - (i) no Event of Default or Potential Event of Default has occurred or is continuing or would result from the borrowing of the Loan;
 - (ii) the representations and warranties in Clause 10 (*Representations and Warranties*) and those of the Borrowers or any Security Party which are set out in the other Finance Documents would be true and not misleading if repeated on each of those dates with reference to the circumstances then existing;
 - (iii) none of the circumstances contemplated by Clause 7.2 (*Market disruption*) has occurred and is continuing; and
 - (iv) there has been no material adverse change in the business, management, condition (financial or otherwise), results of operations, operation, performance, prospects or properties of the Borrowers or any of them and/or the Corporate Guarantor applying as at 31 March 2023;
- (d) that, if the ratio set out in Clause 15.1 (*Minimum required security cover*) were applied immediately following the making of the Loan, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under that Clause; and
- (e) that the Agent has received, and found to be acceptable to it, any further opinions, consents, agreements and documents in connection with the Finance Documents which the Agent may, with the authorisation of the Majority Lenders, request by notice to the Borrowers prior to the Drawdown Date.

9.2 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit the Loan to be borrowed before certain of the conditions referred to in Clause 9.1 (*Documents, fees and no default*) are satisfied, the Borrowers shall ensure that those conditions are satisfied within 5 Business Days after the Drawdown Date (or such longer period as the Agent may, with the authority of the Majority Lenders, specify).

10 REPRESENTATIONS AND WARRANTIES

10.1 General

Each Borrower represents and warrants (which representations and warranties (other than the ones in Clauses 10.11 (*Information*) and 10.12 (*No litigation*)) shall survive the execution of this Agreement and shall be deemed to be repeated throughout the Security Period on the first day of each Interest Period with respect to the facts and circumstances then existing) to each Creditor Party as follows.

10.2 Status

Each of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower F and Borrower G is duly incorporated and validly existing and in good standing under the laws of the Republic of the Marshall Islands.

10.3 Share capital and ownership

- (a) Borrower A is authorised to issue 500 registered shares with a par value of one dollar per share, all of which shares have been issued in registered form, and the legal title and beneficial ownership of all those shares is held, free of any Security Interest (other than any Existing Security Interest) or other claim, by the relevant Shareholder.
- (b) Each of Borrower B, Borrower C, Borrower D, Borrower E and Borrower F is authorised to issue 500 registered and/or bearer share(s) without par value, all of which shares have been issued in registered form, and the legal title and beneficial ownership of all those shares is held, free of any Security Interest (other than any Existing Security Interest) or other claim, by the relevant Shareholder.
- (c) Borrower G is authorised to issue 100 registered shares with a par value of one dollar per share, all of which shares have been issued in registered form, and the legal title and beneficial ownership of all those shares is held, free of any Security Interest (other than any Existing Security Interest) or other claim, by the relevant Shareholder.
- (d) Each Borrower is 100 per cent. owned indirectly by the Corporate Guarantor.

10.4 Corporate power

Each Borrower has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it to:

- (a) continue to own the Ship owned by it under the relevant Approved Flag;
- (b) execute the Finance Documents to which that Borrower is a party; and

- (c) borrow under this Agreement and to make all the payments contemplated by, and to comply with, those Finance Documents to which that Borrower is a party.

10.5 Consents in force

All the consents referred to in Clause 10.4 (*Corporate power*) remain in force and nothing has occurred which makes any of them liable to revocation.

10.6 Legal validity; effective Security Interests

The Finance Documents to which that Borrower is a party, do now or, as the case may be, will, upon execution and delivery (and, where applicable, registration as provided for in the Finance Documents):

- (a) constitute that Borrower's legal, valid and binding obligations enforceable against that Borrower in accordance with their respective terms; and
 - (b) create legal, valid and binding Security Interests enforceable in accordance with their respective terms over all the assets to which they, by their terms, relate,
- subject to any relevant insolvency laws affecting creditors' rights generally.

10.7 No third party Security Interests

Without limiting the generality of Clause 10.6 (*Legal validity; effective Security Interests*), at the time of the execution and delivery of each Finance Document to which a Borrower is a party:

- (a) each Borrower will have the right to create all the Security Interests which that Finance Document purports to create; and
- (b) no third party will have any Security Interest (except for Permitted Security Interests) or any other interest, right or claim over, in or in relation to any asset to which any such Security Interest, by its terms, relates.

10.8 No conflicts

The execution by a Borrower of each Finance Document to which it is a party, and the borrowing by that Borrower of the Loan, and its compliance with each Finance Document to which it is a party will not involve or lead to a contravention of:

- (a) any law or regulation; or
- (b) the constitutional documents of that Borrower; or
- (c) any contractual or other obligation or restriction which is binding on that Borrower or any of its assets.

10.9 No withholding taxes

All payments which each Borrower is liable to make under the Finance Documents to which it is a party may be made without deduction or withholding for or on account of any tax payable under any law of any Pertinent Jurisdiction.

10.10 No default

No Event of Default or Potential Event of Default has occurred and is continuing or would result from the entry into, the performance of, or any transaction contemplated by, any Finance Document.

10.11 Information

All information which has been provided in writing by or on behalf of the Borrowers or any member of the Group to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5 (*Information provided to be accurate*); all audited and unaudited accounts which have been so provided satisfied the requirements of Clause 11.7 (*Form of financial statements*); and there has been no material adverse change in the financial position or state of affairs, operation or performance of the Borrowers or any of them or any Security Party (excluding an Approved Manager) as at 31 March 2023 from that disclosed to the Agent.

10.12 No litigation

No material, legal or administrative action involving any Borrower or any Security Party (excluding any Approved Manager) has been commenced or taken or, to a Borrower's knowledge, is likely to be commenced or taken.

10.13 Compliance with certain undertakings

At the date of this Agreement, each Borrower is in compliance with Clauses 11.2 (*Title and negative pledge*), 11.4 (*No other liabilities or obligations to be incurred*), 11.9 (*Consents*) and 11.13 (*Confirmation of no default*).

10.14 Taxes paid

Each Borrower has paid all taxes applicable to, or imposed on or in relation to that Borrower, its business or the Ship owned by it.

10.15 No money laundering; anti-bribery

None of the Borrowers, the Security Parties and the Designated Unitholder nor any of their subsidiaries, directors or officers, or, to their best knowledge, any affiliate, agent or employee of them, have engaged in any activity or conduct which would violate any applicable anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules in any applicable jurisdiction and each of the Borrowers, the Security Parties and the Designated Unitholder has instituted and maintains policies and procedures designed to prevent violation of such laws, regulations and rules.

10.16 ISM Code, ISPS Code Compliance and Environmental Laws

All requirements of the ISM Code, ISPS Code and Environmental Laws as they relate to the Borrowers, the Approved Managers and the Ships have been complied with.

10.17 No immunity

No Borrower, nor any of its assets is entitled to immunity on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit attachment prior to judgement, execution or other enforcement).

10.18 Sanctions

None of the Borrowers, the Security Parties, the Designated Unitholder or any charterer in respect of a Ship nor any of their subsidiaries, directors or officers, or, to their best knowledge, any affiliate, agent or employee of them, is an individual or entity (a “**Person**”), that is, or is directly or indirectly, owned or controlled by a Person that is: (i) the target of any Sanctions (a “**Sanctioned Person**”), (ii) located, organized or resident in a country or territory that is, or whose government is, the target of Sanctions (currently Cuba, Iran, North Korea, Syria and the Crimea, Donetsk People’s Republic and Luhansk People’s Republic regions of Ukraine) (a “**Sanctioned Country**”) or (iii) in violation of any Sanctions, anti-bribery, anti-corruption or anti-money laundering laws, regulations or rules.

10.19 Validity and completeness of the Existing Charters

- (a) Each Existing Charter constitutes legal, valid, binding and enforceable obligations of each Borrower to which is a party thereto.
- (b) The copies of the Existing Charters delivered to the Agent before the date of this Agreement are true and complete copies.
- (c) No amendments or additions to any Existing Charter have been agreed nor has any Borrower waived any of its respective rights under the relevant Existing Charter.

10.20 Insolvency

In relation to each Borrower, no corporate action, legal proceeding or other procedure or step described in paragraph (f) of Clause 19.1 (*Events of Default*) or creditors’ process described in that clause has been taken or, to its knowledge, threatened in relation to it, and none of the circumstances described in paragraph (f) of Clause 19.1 (*Events of Default*) applies to it.

11 GENERAL UNDERTAKINGS

11.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 11 (*General Undertakings*) at all times during the Security Period except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

11.2 Title and negative pledge

Each Borrower will:

- (a) hold the legal title to, and own the entire beneficial interest in the Ship owned by it, the Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents;

- (b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any other asset, present or future; and
- (c) procure that its liabilities under the Finance Documents to which it is party do and will rank at least *pari passu* with all other present and future unsecured liabilities, except for liabilities which are mandatorily preferred by law.

11.3 No disposal of assets

No Borrower will transfer, lease or otherwise dispose of:

- (a) all or a substantial part of its assets, whether by one transaction or a number of transactions, whether related or not; or
 - (b) any debt payable to it or any other right (present, future or contingent right) to receive a payment, including any right to damages or compensation,
- but paragraph (a) does not apply to any charter of a Ship as to which Clause 14.13 (*Restrictions on chartering, appointment of managers etc.*) applies.

11.4 No other liabilities or obligations to be incurred

No Borrower will incur any liability or obligation except:

- (a) liabilities and obligations under the Finance Documents to which it is a party;
- (b) subject to other provisions of this Agreement, liabilities or obligations reasonably incurred in the ordinary course of trading, maintaining, repairing, operating and chartering the Ship owned by it;
- (c) at any time prior to the Drawdown Date, the Existing Indebtedness; and
- (d) Financial Indebtedness to any other corporation which is a member of the Group or individual who is a shareholder or majority shareholder in a member of the Group **provided that** such Financial Indebtedness shall be fully subordinated to the Loan and the relevant Borrower shall, promptly following the Agent's demand, execute or procure the execution of any documents which the Agent specifies to create or maintain the subordination of the rights of the relevant member of the Group against the relevant Borrower to those of the Creditor Parties under the Finance Documents.

11.5 Information provided to be accurate

All financial and other information which is provided in writing by or on behalf of a Borrower under or in connection with any Finance Document will be true, correct, accurate and not misleading and will not omit any material fact or consideration.

11.6 Provision of financial statements

Each Borrower will send or procure that they are sent to the Agent:

- (a) as soon as possible, but in no event later than 180 days after the end of each financial year of the Corporate Guarantor (commencing with the financial year ending on 31 December 2023), the audited annual consolidated accounts of the Group; and
- (b) as soon as possible, but in no event later than 90 days after the end of the 6-month period ending on 30 June in each financial year of the Corporate Guarantor (commencing with the 6-month period ending on 30 June 2023), the unaudited semi-annual consolidated management accounts in respect of the Group, duly certified as to their correctness by an officer of the Corporate Guarantor; and
- (c) promptly after each request by the Agent, such further financial information about that Borrower, the Ship owned by it and the Corporate Guarantor or any other member of the Group (including, but not limited to, information regarding the charter arrangements, Financial Indebtedness and operating expenses in relation to any member of the Group) as the Agent may reasonably require.

11.7 Form of financial statements

All accounts (audited and unaudited) delivered under Clause 11.6 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and US GAAP;
- (b) give a true and fair view of the state of affairs of the relevant person at the date of those accounts and of its profit for the period to which those accounts relate; and
- (c) fully disclose or provide for all significant liabilities of the Group.

11.8 Shareholder notices

Each Borrower will send to the Agent following a request by the Agent, and at the same time as they are despatched, copies of all communications which are despatched to that Borrower's shareholders or any class of them.

11.9 Consents

Each Borrower will, and will procure that each Security Party will, maintain in force and promptly obtain or renew, and will promptly send certified copies to the Agent of, all consents required:

- (a) for that Borrower and that Security Party to perform its obligations under any Finance Document or any Charterparty to which it is party;
- (b) for the validity or enforceability of any Finance Document and any Charterparty to which it is party; and

- (c) for that Borrower to continue to own and operate the Ship owned by it, and that Borrower will, and will procure that each Security Party will, comply with the terms of all such consents.

11.10 Maintenance of Security Interests

Each Borrower will:

- (a) at its own cost, do all that it reasonably can to ensure that any Finance Document validly creates the obligations and the Security Interests which it purports to create; and
- (b) without limiting the generality of paragraph (a) above, at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar tax in all Pertinent Jurisdictions in respect of any Finance Document, give any notice or take any other step which, in the opinion of the Majority Lenders, is or has become necessary or desirable for any Finance Document to be valid, enforceable or admissible in evidence or to ensure or protect the priority of any Security Interest which it creates.

11.11 Notification of litigation

Each Borrower will provide the Agent with details of any legal or administrative action involving that Borrower, any Security Party, any Approved Manager, the Ship owned by it, the Earnings or the Insurances in respect of that Ship as soon as such action is instituted or it becomes apparent to that Borrower that it is likely to be instituted, unless it is clear that the legal or administrative action cannot be considered material in the context of any Finance Document.

11.12 Principal place of business

Each Borrower will maintain its place of business, and keep its corporate documents and records, at the address stated in paragraph (a) of Clause 28.2 (*Addresses for communications*); and no Borrower will establish, or do anything as a result of which it would be deemed to have, a place of business in the United States or the United Kingdom or any country other than Greece.

11.13 Confirmation of no default

Each Borrower will, within 2 Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by an officer of each Borrower and which:

- (a) states that no Event of Default or Potential Event of Default has occurred; or
- (b) states that no Event of Default or Potential Event of Default has occurred, except for a specified event or matter, of which all material details are given.

The Agent may serve requests under this Clause 11.13 (*Confirmation of no default*) from time to time; this Clause 11.13 (*Confirmation of no default*) does not affect the Borrowers' obligations under Clause 11.14 (*Notification of default*).

11.14 Notification of default

Each Borrower will notify the Agent as soon as that Borrower becomes aware of the occurrence of an Event of Default or a Potential Event of Default and will thereafter keep the Agent fully up-to-date with all developments.

11.15 Provision of further information

Each Borrower will, as soon as practicable after receiving a request, provide the Agent with any additional financial or other information relating:

- (a) to that Borrower, the Ship owned by it, the Insurances, the Earnings or the Corporate Guarantor;
- (b) to any other matter relevant to, or to any provision of, a Finance Document; or
- (c) any information requested in respect of that Borrower, the Corporate Guarantor, the Shareholders and the Designated Unitholder in connection with the Creditor Parties' and/or the Account Bank's "Know your customer" regulations, including, but not limited to information required pursuant to all applicable laws and regulations, including, without limitation, the laws of the European Union, France and the United States of America in connection with that Borrower, the Corporate Guarantor and any other Security Party and their respective beneficial owners,

which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.16 Provision of copies and translation of documents

Each Borrower will supply the Agent with a sufficient number of copies of the documents referred to above to provide 1 copy for each Creditor Party; if the Agent so requires in respect of any of those documents, that Borrower will provide a certified English translation prepared by a translator approved by the Agent.

11.17 "Know your customer" checks

If:

- (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (b) any change in the status of any Borrower or any Security Party after the date of this Agreement;
- (c) a proposed sale of any Ship; or
- (d) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (d), any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence (including for the purposes of paragraph (c) above such documentation and other evidence required in relation to any prospective buyer of a Ship provided that there will be a simultaneous closing for the release of such Ship) as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (d), on behalf of any prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (d), any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

11.18 Sanctions

- (a) None of the Borrowers and the Security Parties will, directly or indirectly, use the proceeds of the Loan hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or any other Person: (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, a Sanctioned Person or Sanctioned Country, or (ii) use in repayment of any moneys due to the Creditor Parties any Earnings of the Ships paid directly or indirectly from any activities or business of or with any Person, or in any country, territory or port, that, at the time of such payment, is, a Sanctioned Person or Sanctioned Country, or (iii) in any other manner that would result in a violation of Sanctions by any Person (including, any Creditor Party, whether acting as underwriter, advisor, investor, lender, hedge provider, facility or security agent or otherwise);
- (b) Without limiting paragraphs (a) and (b) of Clause 14.10 (*Compliance with laws etc.*), the Borrowers shall:
- (i) comply with, and shall use reasonable endeavours to ensure compliance with, all Sanctions (including, obtaining any applicable consents, authorisations or licenses) in respect to each Ship;
 - (ii) not cause or permit a Ship to be registered in a Sanctioned Country or used by or for the benefit of a Sanctioned Person;
 - (iii) not cause or permit a Ship to be used in or otherwise to go to, stop in or call at, a Sanctioned Country when such action is prohibited by Sanctions or would be in violation of Sanctions;
 - (iv) procure that the Ships shall not be used directly or indirectly in any transport of any goods prohibited by Sanctions;
 - (v) procure that the Ships shall not be used directly or indirectly in any manner which would expose the Ships, any Security Party, any Existing Charterer, crew or the insurers to enforcement proceedings or any other consequences whatsoever arising from Sanctions;
 - (vi) procure that the Ships shall not be used or traded directly or indirectly in any manner which would trigger the operation of any sanctions limitation or exclusion clause (or similar) in the Insurances and/or re-insurance of the Ships;
 - (vii) not cause or permit a Ship to be operated by a charterer or, to the best of their knowledge, sub-charterer whose state of incorporation and/or principal place of business is in a Sanctioned Country and/or is a Sanctioned Person;
 - (viii) not cause or permit a Ship to be used in any manner or business which is prohibited by applicable anti-corruption, anti-money laundering, countering the financing of terrorism, and export and import laws and regulations; and

- (ix) ensure that each Charterparty and each sub-charterparty in respect of a Ship shall contain, for the benefit of the relevant Borrower, language which broadly gives effect to the provisions of paragraph (b) of Clause 14.10 (*Compliance with laws etc.*) as regards Sanctions and of this sub-paragraph (vii) of paragraph (b) of this Clause 11.18 (*Sanctions*) and which permits refusal of employment or voyage orders if compliance would result in a breach of Sanctions.

11.19 Minimum Liquidity

The Borrowers or any of them to maintain in their Earnings Accounts or in an Earnings Account or in cash deposits with the Account Bank in their name and/or in the name of the Corporate Guarantor, free credit balances ("**Minimum Liquidity**") in an aggregate amount of not less than \$2,100,000 or such lesser amount which will be equal to \$300,000 per Borrower commencing from the Drawdown Date and at all times thereafter.

11.20 No amendment to the Existing Charters

No Borrower will agree to any material amendment (and for, the avoidance of doubt, "material" to mean any amendment which may detrimentally affect the interests of any Creditor Party) or supplement to, or waive or fail to enforce, any Existing Charter or any of its provisions.

11.21 Use of websites

- (a) Each Borrower acknowledges and agrees that any information under this Agreement may be delivered to a Lender (through the Agent) on to an electronic website (a "**Website Lender**") if:
 - (i) the Agent and the Lender agree;
 - (ii) the Agent appoints a website provider and designates an electronic website for this purpose (the "**Designated Website**");
 - (iii) the Designated Website is used for communication between the Agent and the Lenders;
 - (iv) the Agent notifies the Lenders of the address for the website;
 - (v) the information can only be posted on the website by the Agent; and
 - (vi) the information posted is in a format agreed between each Borrower and the Agent.
- (b) The cost of the website shall be borne by each Borrower, subject to such cost being agreed by each Borrower beforehand.
- (c) Any Website Lender may request from any Borrower, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website and each Borrower shall at its own cost comply with any such request within ten Business Days.

12 CORPORATE UNDERTAKINGS

12.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 12 (*Corporate Undertakings*) at all times during the Security Period except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit.

12.2 Maintenance of status

Each of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E, Borrower F and Borrower G will maintain its separate corporate existence and remain in good standing under the laws of the Republic of the Marshall Islands.

12.3 Negative undertakings

No Borrower will:

- (a) carry on any business other than the ownership, chartering and operation of the Ship owned by it; or
- (b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital if:
 - (i) an Event of Default has occurred at such time; or
 - (ii) an Event of Default would occur as a direct result of such distribution, redemption, purchase or return; or
- (c) provide any form of credit or financial assistance or issue guarantees in favour of any other corporation or individual other than in the normal course of its business **Provided that** that corporation or individual to whom any form of credit or financial assistance has been granted or in favour of whom the guarantee has been issued fully subordinates its rights to the rights of the Creditor Parties under the Finance Documents on terms acceptable to the Agent;
- (d) provide any form of credit or financial assistance to:
 - (i) a person who is directly or indirectly interested in that Borrower's share or loan capital; or
 - (ii) any company in or with which such a person is directly or indirectly interested or connected,or enter into any transaction with or involving such a person or company on terms which are, in any respect, less favourable to that Borrower than those which it could obtain in a bargain made at arms' length; or
- (e) open or maintain any account with any bank or financial institution except accounts with the Account Bank for the purposes of the Finance Documents and any accounts disclosed to the Agent on or prior to the date of this Agreement; or
- (f) issue, allot or grant any person a right to any shares in its capital or repurchase or reduce its issued share capital; or

- (g) acquire any shares or other securities other than US or UK Treasury bills and certificates of deposit issued by major North American or European banks, or enter into any transaction in a derivative other than for hedging of the Loan; or
- (h) enter into any form of amalgamation, merger or de-merger or any form of reconstruction or reorganisation.

13 INSURANCE

13.1 General

Each Borrower undertakes with each Creditor Party to comply with the following provisions of this Clause 13 (*Insurance*), from the Drawdown Date and throughout the term of the Security Period, except as the Agent may, with the authority of the Majority Lenders, otherwise permit in writing.

13.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it, at all times during the Security Period, insured at the expense of that Borrower against:

- (a) fire and usual marine risks (including hull and machinery and excess risks); and
- (b) war risks; and
- (c) protection and indemnity risks, meaning the usual risks including liability for oil pollution and excess war risk P&I cover; and
- (d) any other risks against which the Lenders consider, having regard to practices and other circumstances prevailing at the relevant time, it would in the opinion of the Lenders be reasonable for that Borrower to insure and which are specified by the Security Trustee by notice to that Borrower.

13.3 Terms of obligatory insurances

Each Borrower shall effect such insurances:

- (a) in dollars;
- (b) in the case of fire and usual marine risks and war risks, in such amounts as shall from time to time be approved by the Agent but in any event in an amount not less than the greater of (i) the Market Value of the Ship owned by it and (ii) an amount which, when aggregated with the amount for which the other Ships then subject to a Mortgage is insured, is equal to 120 per cent. of the Loan; and
- (c) in the case of oil pollution liability risks, for an aggregate amount equal to the highest level of cover from time to time available under basic protection and indemnity club entry (with the International Group of P&I Clubs) and the international marine insurance market (currently \$1,000,000,000);
- (d) in relation to protection and indemnity risks in respect of the relevant Ship's full value and tonnage;

- (e) on such terms as shall from time to time be approved in writing by the Agent (including, without limitation, a blocking and trapping clause); and
- (f) through approved brokers and with approved insurance companies and/or underwriters or, in the case of war risks and protection and indemnity risks, in approved war risks and protection and indemnity risks associations which are members of the International Group of Protection and Indemnity Associations.

13.4 Further protections for the Creditor Parties

In addition to the terms set out in Clause 13.3 (*Terms of obligatory insurances*), each Borrower shall procure that the obligatory insurances shall:

- (a) subject always to paragraph (b), name that Borrower as the sole named assured unless the interest of every other named assured is limited:
 - (i) in respect of any obligatory insurances for hull and machinery and war risks;
 - (A) to any provable out-of-pocket expenses that it has incurred and which form part of any recoverable claim on underwriters; and
 - (B) to any third party liability claims where cover for such claims is provided by the policy (and then only in respect of discharge of any claims made against it); and
 - (ii) in respect of any obligatory insurances for protection and indemnity risks, to any recoveries it is entitled to make by way of reimbursement following discharge of any third party liability claims made specifically against it;
- (b) name (or be amended to name) the Security Trustee as mortgagee for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation against the Security Trustee, but without the Security Trustee thereby being liable to pay (but having the right to pay) premiums, calls or other assessments in respect of such insurance;
- (c) name the Security Trustee as sole loss payee with such directions for payment as the Security Trustee may specify;
- (d) provide that all payments by or on behalf of the insurers under the obligatory insurances to the Security Trustee shall be made without set-off, counterclaim or deductions or condition whatsoever;
- (e) provide that the insurers shall waive, to the fullest extent permitted by English law, their entitlement (if any) (whether by statute, common law, equity, or otherwise) to be subrogated to the rights and remedies of the Security Trustee in respect of any rights or interests (secured or not) held by or available to the Security Trustee in respect of the Secured Liabilities, until the Secured Liabilities shall have been fully repaid and discharged, except that the insurers shall not be restricted by the terms of this paragraph (d) from making personal claims against persons (other than any Borrower or any Creditor Party) in circumstances where the insurers have fully discharged their liabilities and obligations under the relevant obligatory insurances;
- (f) provide that such obligatory insurances shall be primary without right of contribution from other insurances which may be carried by the Security Trustee;

- (g) provide that the Security Trustee may make proof of loss if that Borrower fails to do so; and
- (h) provide that if any obligatory insurance is cancelled, or if any substantial change is made in the coverage which adversely affects the interest of the Security Trustee, or if any obligatory insurance is allowed to lapse for non-payment of premium, such cancellation, charge or lapse shall not be effective with respect to the Security Trustee for 30 days (or 7 days in the case of war risks) after receipt by the Security Trustee of prior written notice from the insurers of such cancellation, change or lapse.

13.5 Renewal of obligatory insurances

Each Borrower shall:

- (a) at least 14 days before the expiry of any obligatory insurance:
 - (i) notify the Security Trustee of the brokers (or other insurers) and any protection and indemnity or war risks association through or with whom that Borrower proposes to renew that insurance and of the proposed terms of renewal; and
 - (ii) in case of any substantial change in insurance cover, obtain the Lenders' approval to the matters referred to in paragraph (i) above;
- (b) at least 7 days before the expiry of any obligatory insurance, renew the insurance; and
- (c) procure that the approved brokers and/or the war risks and protection and indemnity associations with which such a renewal is effected shall promptly after the renewal notify the Security Trustee in writing of the terms and conditions of the renewal.

13.6 Copies of policies; letters of undertaking

Each Borrower shall ensure that all approved brokers provide the Security Trustee with copies of all policies relating to the obligatory insurances which they effect or renew and of a letter or letters or undertaking in a form required by the Lenders and including undertakings by the approved brokers that:

- (a) they will have endorsed on each policy, immediately upon issue, a loss payable clause and a notice of assignment complying with the provisions of Clause 13.4 (*Further protections for the Creditor Parties*);
- (b) they will hold such policies, and the benefit of such insurances, to the order of the Security Trustee in accordance with the said loss payable clause;
- (c) they will advise the Security Trustee immediately of any material change to the terms of the obligatory insurances;
- (d) they will notify the Security Trustee, not less than 14 days before the expiry of the obligatory insurances, in the event of their not having received notice of renewal instructions from that Borrower or its agents and, in the event of their receiving instructions to renew, they will promptly notify the Security Trustee of the terms of the instructions; and

- (e) they will not set off against any sum recoverable in respect of a claim relating to the Ship owned by it under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies or, any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts, and will arrange for a separate policy to be issued in respect of that Ship forthwith upon being so requested by the Security Trustee.

13.7 Copies of certificates of entry

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by it is entered provides the Security Trustee with:

- (a) a certified copy of the certificate of entry for that Ship; and
- (b) a letter or letters of undertaking in such form as may be required by the Lenders; and
- (c) where required to be issued under the terms of insurance/indemnity provided by that Borrower's protection and indemnity association, a certified copy of each United States of America voyage quarterly declaration (or other similar document or documents) made by that Borrower in relation to that Ship in accordance with the requirements of such protection and indemnity association; and
- (d) a certified copy of each certificate of financial responsibility for pollution by oil or other Environmentally Sensitive Material issued by the relevant certifying authority in relation to that Ship.

13.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances are deposited with the approved brokers through which the insurances are effected or renewed.

13.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Restrictions on employment

No Borrower shall employ the Ship owned by it, nor permit her to be employed, outside the cover provided by any obligatory insurances.

13.12 Compliance with terms of insurances

No Borrower shall either do or omit to do (or permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable thereunder repayable in whole or in part; and in particular:

- (a) each Borrower shall take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in paragraph (c) of Clause 13.6 (*Copies of policies; letters of undertaking*) above) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;
- (b) no Borrower shall make any changes relating to the classification or the Classification Society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
- (c) each Borrower shall make all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which the Ship owned by it is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation); and
- (d) no Borrower shall employ the Ship owned by it, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances (including but not limited to any applicable laws and Sanctions), without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.13 Alteration to terms of insurances

No Borrower shall make or agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance without the prior written consent of the Security Trustee.

13.14 Settlement of claims

No Borrower shall settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances.

13.15 Provision of copies of communications

Each Borrower shall provide the Security Trustee, at the time of each such communication, copies of all written communications in case of, but not limited to, an Event of Default, Total Loss or Major Casualty between that Borrower and:

- (a) the approved brokers; and
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:
 - (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls; and
 - (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) above relating wholly or partly to the effecting or maintenance of the obligatory insurances.

13.16 Provision of information

In addition, each Borrower shall promptly provide the Security Trustee (or any persons which it may designate) with any information which the Security Trustee (or any such designated person) requests for the purpose of:

- (a) obtaining or preparing any report from an independent marine insurance broker appointed by the Agent as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
- (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.17 (*Mortgagee's interest and additional perils insurances*) below or dealing with or considering any matters relating to any such insurances,

and that Borrower shall, forthwith upon demand, indemnify the Security Trustee in respect of all fees and other expenses incurred by or for the account of the Security Trustee in connection with any such report as is referred to in paragraph (a) above.

13.17 Mortgagee's interest and additional perils insurances

The Security Trustee shall effect, maintain and renew all or any of the following insurances in such amounts, on such terms, through such insurers and generally in such manner as the Lenders may from time to time consider appropriate:

- (a) a mortgagee's interest marine insurance in relation to the Ships in an amount equal to 110 per cent. of the Loan, providing for the indemnification of the Creditor Parties for any losses under or in connection with any Finance Document which directly or indirectly result from loss of or damage to a Ship or a liability of that Ship or of the Borrower owning that Ship, being a loss or damage which is prima facie covered by an obligatory insurance but in respect of which there is a non-payment (or reduced payment) by the underwriters by reason of, or on the basis of an allegation concerning:
 - (i) any act or omission on the part of that Borrower, of any operator, charterer, manager or sub-manager of that Ship or of any officer, employee or agent of that Borrower or of any such person, including any breach of warranty or condition or any non-disclosure relating to such obligatory insurance;
 - (ii) any act or omission, whether deliberate, negligent or accidental, or any knowledge or privity of that Borrower, any other person referred to in paragraph (i) above, or of any officer, employee or agent of that Borrower or of such a person, including the casting away or damaging of that Ship and/or that Ship being unseaworthy; and/or
 - (iii) any other matter capable of being insured against under a mortgagee's interest marine insurance policy whether or not similar to the foregoing;
- (b) a mortgagee's interest additional perils policy in relation to the Ships in an amount equal to 110 per cent. of the Loan, providing for the indemnification of the Security Trustee against, among other things, any possible losses or other consequences of any Environmental Claim, including the risk of expropriation, arrest or any form of detention of a Ship, the imposition of any Security Interest over that Ship and/or any other matter capable of being insured against under a mortgagee's interest additional perils policy whether or not similar to the foregoing, and the Borrowers shall upon demand fully indemnify the Security Trustee in respect of all premiums and other expenses which are incurred in connection with or with a view to effecting, maintaining or renewing any such insurance or dealing with, or considering, any matter arising out of any such insurance.

13.18 Review of insurance requirements

The Lenders shall be entitled to review the requirements of this Clause 13 from time to time in order to take account of any changes in circumstances after the date of this Agreement which are, in the opinion of the Lenders, significant and capable of affecting any Borrower or any Ship and its or their Insurances (including, without limitation, changes in the availability or the cost of Insurances or the risks to which the Borrower owning that Ship may be subject), and may appoint insurance consultants in relation to this review at the cost of the Borrowers, such review to be carried out at the Agent's request, at any time during the Security Period if the Agent (acting on the instructions of the Lenders) considers necessary (the reasonable fees of the insurance consultants to conduct such review shall be deducted from the Earnings Accounts (or any of them) and each Borrower hereby agrees to arrange the transfer of monies from its Earnings Account in order to pay such fees) **Provided that** the Borrowers shall not be required to pay the fees of the insurance consultants to conduct such review more often than once a year unless an Event of Default has occurred and is continuing, or unless a change in the terms of the cover of any Ship has occurred.

13.19 Modification of insurance requirements

The Security Trustee shall notify the Borrowers of any proposed modification under Clause 13.18 (*Review of insurance requirements*) to the requirements of this Clause 13 (*Insurance*) which the Lenders consider appropriate in the circumstances, and such modification shall take effect on and from the date it is notified in writing to the Borrowers as an amendment to this Clause 13 (*Insurance*) and shall bind the Borrowers accordingly.

13.20 Compliance with mortgagee's instructions

The Security Trustee shall be entitled (without prejudice to or limitation of any other rights which it may have or acquire under any Finance Document) to require a Ship to remain at any safe port or to proceed to and remain at any safe port designated by the Security Trustee until the Borrower owning that Ship implements any amendments to the terms of the obligatory insurances and any operational changes required as a result of a notice served under Clause 13.19 (*Modification of insurance requirements*).

14 SHIP COVENANTS

14.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 14 (*Ship covenants*), at all times during the Security Period, except as the Agent may, with the authorisation of the Majority Lenders, otherwise permit in writing.

14.2 Ship's name and registration

Each Borrower shall keep the Ship owned by it registered in its name under an Approved Flag; shall not do or allow to be done anything as a result of which such registration might be cancelled or imperilled; and shall not change the name or port of registry of that Ship without the prior written consent of the Agent, which shall not be unreasonably withheld, and shall remain acceptable to the Agent at all times.

14.3 Repair and classification

Each Borrower shall keep the Ship owned by it in a good, safe and seaworthy condition and state of repair:

- (a) consistent with first-class ship ownership and management practice;
- (b) so as to maintain the highest class with a Classification Society which is a member of IACS acceptable to the Agent (acting with the authorisation of the Lenders) free of overdue recommendations and conditions of such Classification Society;
- (c) so as to comply with all laws and regulations applicable to vessels registered at ports of the Approved Flag State or to vessels trading to any jurisdiction to which such Ship may trade from time to time, including but not limited to the ISM Code and the ISM Code Documentation and the ISPS Code; and
- (d) each Borrower shall use its commercially reasonable efforts to allow the Agent (or its agents), at any time, to inspect the original class and related records of that Borrower and the Ship owned by it electronically (through the Classification Society directly) and to take copies of such records.

14.4 Modification

No Borrower shall make any modification or repairs to, or replacement of, the Ship or equipment installed on the Ship owned by it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

14.5 Removal of parts

No Borrower shall remove any material part of the Ship owned by it, or any item of equipment installed on, that Ship unless the part or item so removed is forthwith replaced by a suitable part or item which is in the same condition as or better condition than the part or item removed, is free from any Security Interest or any right in favour of any person other than the Security Trustee and becomes on installation on the relevant Ship the property of that Borrower and subject to the security constituted by the relevant Mortgage **Provided that** each Borrower may install equipment owned by a third party if the equipment can be removed without any risk of damage to its Ship.

14.6 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Lenders provide the Security Trustee, with copies of all survey reports.

14.7 Technical Survey

Without prejudice to each Borrower's obligations pursuant to Clause 14.6 (*Surveys*), each Borrower promptly following the request of the Agent will, submit the Ship for a technical survey by an independent surveyor or surveyors appointed by the Agent (provided such technical survey does not interfere with the ordinary trading of the Ship owned by it). All fees and expenses incurred in relation to the appointment of the surveyor or surveyors and the preparation and issue of all technical reports pursuant to this Clause 14.7 (*Technical Survey*) shall be for the account of the Borrowers.

14.8 Inspection

Each Borrower shall permit the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by it at all times (but in any event without interfering with the ordinary trading of the Ship owned by it) to inspect its condition or to satisfy themselves about proposed or executed repairs, shall afford all proper facilities for such inspections and pay to the Agent the amount of all fees, costs and expenses incurred in respect of such inspections **Provided that** so long as no Event of Default shall have occurred that Borrower shall not be obliged to pay any fees and expenses in respect of more than one inspection of its Ship in any calendar year.

14.9 Prevention of and release from arrest

Each Borrower shall promptly discharge:

- (a) all liabilities which give or may give rise to maritime or possessory liens on or claims enforceable against the Ship owned by it, the Earnings or the Insurances;
 - (b) all taxes, dues and other amounts charged in respect of the Ship owned by it, the Earnings or the Insurances; and
 - (c) all other outgoings whatsoever in respect of the Ship owned by it, the Earnings or the Insurances,
- and, forthwith upon receiving notice of the arrest of that Ship, or of her detention in exercise or purported exercise of any lien or claim, that Borrower shall procure her release by providing bail or otherwise as the circumstances may require.

14.10 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with all laws, rules 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 (including, for the avoidance of doubt, by an Approved Manager), the ISPS Code, all Environmental Laws, all Sanctions and the laws of the Approved Flag State;
- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any environmental approvals;
- (c) without limiting paragraph (a) above, not employ any Ship nor allow its employment, operation or management in any manner contrary to any law, regulation or rule, including, but not limited to the ISM Code, the ISPS Code, all Environmental Laws and all Sanctions; and
- (d) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit it to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers unless the prior written consent of the Lenders has been given and that Borrower has (at its expense) effected any special, additional or modified insurance cover which the Lenders may require.

14.11 Provision of information

Each Borrower shall promptly provide the Security Trustee with any information which the Lenders request regarding:

- (a) the Ship owned by it, its employment, position and engagements;
- (b) the Earnings and payments and amounts due to that Ship's master and crew of that Ship;
- (c) any expenses incurred, or likely to be incurred, in connection with the operation, maintenance or repair of that Ship and any payments made in respect of that Ship;
- (d) any towages and salvages;
- (e) any intended dry-docking of that Ship;
- (f) that Borrower's, an Approved Manager's compliance or the compliance of that Ship with the ISM Code and the ISPS Code; and
- (g) any other information which the Creditor Parties (or any of them) may reasonably request,

and, upon the Security Trustee's request, provide copies of any current charter relating to that Ship, and copies of that Borrower's or any Approved Manager's Document of Compliance or any other document issued under ISM Code Documentation.

14.12 Notification of certain events

Each Borrower shall immediately notify the Security Trustee by letter of:

- (a) any casualty which is or is likely to be or to become a Major Casualty;
- (b) any occurrence as a result of which the Ship owned by it has become or is, by the passing of time or otherwise, likely to become a Total Loss;
- (c) any requirement or recommendation made by any insurer or Classification Society or by any competent authority which is not complied with in accordance with its terms;
- (d) any arrest or detention of the Ship owned by it, any exercise or purported exercise of any lien on the Ship or its Earnings or any requisition of such Ship for hire;
- (e) any dry docking of the Ship owned by it;
- (f) any Environmental Claim made against that Borrower or in connection with the Ship owned by it, or any Environmental Incident;
- (g) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, an Approved Manager or otherwise in connection with the Ship owned by it; or
- (h) any other matter, event or incident, actual or threatened, the effect of which will or could lead to the ISM Code or the ISPS Code not being complied with, and that Borrower shall keep the Security Trustee advised in writing on a regular basis and in such detail as the Security Trustee shall require of that Borrower's, any Approved Manager's or any other person's response to any of those events or matters.

14.13 Restrictions on chartering, appointment of managers etc.

No Borrower shall, in relation to the Ship owned by it:

- (a) let that Ship on demise charter for any period without the prior written consent of the Agent, acting with the authorisation of the Lenders;
- (b) enter into any time or consecutive voyage charter in respect of that Ship for a term which exceeds, or which by virtue of any optional extensions may exceed, 12 months except as the Agent may consent, such consent not to be unreasonably withheld;
- (c) enter into any charter in relation to that Ship under which more than 2 months' hire (or the equivalent) is payable in advance;
- (d) charter that Ship otherwise than on bona fide arm's length terms at the time when that Ship is fixed;
- (e) appoint a manager of that Ship other than an Approved Manager or agree to any material alteration to the terms of an Approved Manager's appointment which could lead to an Event of Default ("material alterations" to include, without limitation, alterations concerning fees, duration and parties);
- (f) de-activate or lay up that Ship; or
- (g) put that Ship into the possession of any person for the purpose of work being done upon her in an amount exceeding or likely to exceed \$500,000 (or the equivalent in any other currency) unless that person has first given to the Security Trustee and in terms satisfactory to it a written undertaking not to exercise any lien on that Ship or her Earnings for the cost of such work or otherwise.

14.14 Notice of Mortgage

Each Borrower shall keep the Mortgage relative to its Ship registered against its Ship as a valid first priority or as the case may be preferred mortgage, carry on board that Ship a certified copy of that Mortgage and place and maintain in a conspicuous place in the navigation room and the Master's cabin of that Ship a framed printed notice stating that that Ship is mortgaged by that Borrower to the Security Trustee.

14.15 Sharing of Earnings

No Borrower shall:

- (a) enter into any agreement or arrangement for the sharing of any Earnings;
- (b) enter into any agreement or arrangement for the postponement of any date on which any Earnings are due; or for the reduction of the amount of any Earnings or otherwise for the release or adverse alteration of any right of that Borrower to any Earnings; or

- (c) enter into any agreement or arrangement for the release of, or adverse alteration to, any guarantee or Security Interest relating to any Earnings other than customary profit sharing arrangements in time charter contracts.
- 14.16 Time Charter Assignment**
- If a Borrower enters into any Charterparty, that Borrower shall, at the request of the Agent, execute in favour of the Security Trustee a Charterparty Assignment, and shall deliver to the Agent such other documents equivalent to those referred to at paragraphs 3, 4 and 5 of Part A and 1 of Part B of Schedule 3 (*Condition Precedent Documents*) hereof as the Agent may require.
- 14.17 ISM Code, ISPS Code compliance and Environmental Laws**
- All requirements of the ISM Code, ISPS Code and Environmental Laws as they relate to each Borrower, an Approved Manager, if and when applicable, the Ship owned by the relevant Borrower shall be complied with at all times.
- 14.18 Poseidon Principles**
- Each Borrower shall, upon the request of any Lender and at the cost of the Borrowers, on or before 31st July in each calendar year, supply or procure the supply by the relevant Classification Society (as specified by the relevant Lender) to the Agent of all information necessary in order for any Lender to comply with its obligations under the Poseidon Principles in respect of the preceding year, including, without limitation, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to the Ship owned by it for the preceding calendar year provided always that, for the avoidance of doubt, such information shall be “Confidential Information” for the purposes of Clause 30.1 (*Confidential Information*) but the Borrowers acknowledge that, in accordance with the Poseidon Principles, such information will form part of the information published regarding the relevant Lender’s portfolio climate alignment.
- 15 SECURITY COVER**
- 15.1 Minimum required security cover**
- Clause 15.2 (*Provision of additional security; prepayment*) applies if the Agent notifies the Borrowers that the Security Cover Ratio is below 125 per cent.
- 15.2 Provision of additional security; prepayment**
- (a) If the Agent serves a notice on the Borrowers under Clause 15.1 (*Minimum required security cover*), the Borrowers shall prepay such part (at least) of the Loan as will eliminate the shortfall on or before the date falling 1 month after the date on which the Agent’s notice is served under Clause 15.1 (*Minimum required security cover*) (the “**Prepayment Date**”) unless at least 1 Business Day before the Prepayment Date it has provided, or ensured that a third party has provided, additional security which, in the reasonable opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall.

- (b) In this Clause 15.2 (*Provision of additional security; prepayment*) “**security**” means a Security Interest over an asset or assets (whether securing a Borrower’s liabilities under the Finance Documents or a guarantee in respect of those liabilities), or a guarantee, letter of credit or other security (including any cash pledged to the Security Trustee) in respect of that Borrower’s liabilities under the Finance Documents.

15.3 Requirement for additional documents

The Borrowers shall not be deemed to have complied with Clause 15.2 (*Provision of additional security; prepayment*) above until the Agent has received in connection with the additional security certified copies of documents of the kinds referred to in paragraphs 3, 4 and 5 of Schedule 3 (*Condition Precedent Documents*) and such legal opinions in terms acceptable to the Majority Lenders from such lawyers as they may select.

15.4 Valuation of Ship

The market value of a Ship at any date is that shown in a valuation prepared:

- (a) as at a date not more than 30 days previously;
- (b) by an Approved Broker selected by the Borrowers and appointed by the Agent (unless the Borrowers have not nominated an Approved Broker within five Business Days of the Agent’s request in which case the Agent will be entitled to select and appoint an Approved Broker);
- (c) with or without physical inspection of that Ship (as the Agent may require); and
- (d) on the basis of a sale for prompt delivery for cash on normal arm’s length commercial terms as between a willing seller and a willing buyer, free of any existing charter or other contract of employment (as the Agent may require).

15.5 Value of additional security

The net realisable value of any additional security which is provided under Clause 15.1 and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.4 (*Valuation of Ship*).

15.6 Valuations binding

Any valuation under Clause 15.2 (*Provision of additional security; prepayment*), 15.4 (*Valuation of Ship*) or 15.5 (*Value of additional security*) shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of a security which does not consist of or include a Security Interest.

15.7 Provision of information

The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.4 (*Valuation of Ship*) or 15.5 (*Value of additional security*) with any information which the Agent or the Approved Broker or expert may request for the purposes of the valuation; and, if the Borrowers fail to provide the information by the date specified in the request, the valuation may be made on any basis and assumptions which the Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.8 Payment of valuation expenses

Without prejudice to the generality of the Borrowers' obligations under Clauses 20.4 (*Costs of negotiation, preparation etc.*) and 20.5 (*Costs of variations, amendments, enforcement etc.*), the Borrowers shall, on demand, pay the Agent the amount of the fees and expenses of any Approved Broker or expert instructed by the Agent under this Clause and all legal and other expenses incurred by any Creditor Party in connection with any matter arising out of this Clause **Provided that** so long as no Event of Default shall have occurred and is continuing and so long as all valuations of each Ship commissioned by the Agent for the purposes of this Clause 15 (*Security Cover*) confirm that the Borrowers have satisfied the test in Clause 15.1 (*Minimum required security cover*), no Borrower shall be obliged to pay the fees and expenses in respect of more than one valuation or (as applicable) one set of valuations of the Ship owned by it in any calendar year.

15.9 Frequency of valuations

The Borrowers acknowledge and agree that the Agent may commission valuation(s) of any Ship at such times as the Agent may reasonably request (including, without limitation, on the occurrence of any breach of obligation under this Agreement, any Finance Document or any other relevant documentation in connection therewith) and, in any event not less than once in any calendar year, on 31 December of the relevant year.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments

All payments to be made:

- (a) by the Lenders to the Agent; or
- (b) by any Borrower to the Mandated Lead Arranger, the Agent, the Security Trustee or any Lender, under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:
 - (i) by not later than 11.00 a.m. (New York City time) on the due date;
 - (ii) in same day dollar funds settled through the New York Clearing House Interbank Payments System (or in such other dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);
 - (iii) to the account of the Agent, as the Agent may from time to time notify to the Borrowers and the other Creditor Parties; and
 - (iv) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 Payment on non-Business Day

If any payment by any Borrower under a Finance Document would otherwise fall due on a day which is not a Business Day:

- (a) the due date shall be extended to the next succeeding Business Day; or
- (b) if the next succeeding Business Day falls in the next calendar month, the due date shall be brought forward to the immediately preceding Business Day,

and interest shall be payable during any extension under paragraph (a) at the rate payable on the original due date.

16.3 Basis for calculation of periodic payments

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practices.

16.4 Distribution of payments to Creditor Parties

Subject to Clauses 16.5 (*Permitted deductions by Agent*), 16.6 (*Agent only obliged to pay when monies received*) and 16.7 (*Refund to Agent of monies not received*):

- (a) any amount received by the Agent under a Finance Document for distribution or remittance to a Lender or the Security Trustee shall be made available by the Agent to that Lender or, as the case may be, the Security Trustee by payment, with funds having the same value as the funds received, to such account as the Lender or the Security Trustee may have notified to the Agent not less than 5 Business Days previously; and
- (b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 Permitted deductions by Agent

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 Agent only obliged to pay when monies received

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to the Borrowers or any Lender any sum which the Agent is expecting to receive for remittance or distribution to the Borrowers or that Lender until the Agent has satisfied itself that it has received that sum.

16.7 Refund to Agent of monies not received

If and to the extent that the Agent makes available a sum to the Borrowers or a Lender, without first having received that sum, the Borrowers or (as the case may be) the Lender concerned shall, on demand:

- (a) refund the sum in full to the Agent; and

- (b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 Agent may assume receipt

Clause 16.7 (*Refund to Agent of monies not received*) shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 Creditor Party accounts

Each Creditor Party shall maintain accounts showing the amounts owing to it by the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.10 Agent's memorandum account

The Agent shall maintain a memorandum account showing the amounts advanced by the Lenders and all other sums owing to the Agent, the Security Trustee and each Lender from the Borrowers and each Security Party under the Finance Documents and all payments in respect of those amounts made by the Borrowers and any Security Party.

16.11 Accounts prima facie evidence

If any accounts maintained under Clauses 16.9 (*Creditor Party accounts*) and 16.10 (*Agent's memorandum account*) show an amount to be owing by a Borrower or a Security Party to a Creditor Party, those accounts shall be prima facie evidence that that amount is owing to that Creditor Party.

17 APPLICATION OF EARNINGS

17.1 Payment of Earnings

Each of the Borrowers undertakes with each Creditor Party that, throughout the Security Period (subject only to the provisions of the General Assignment to which it is party):

- (a) it shall maintain the Accounts opened in its name (whether individually or jointly) with the Account Bank;
- (b) it shall ensure that all Earnings of the Ship owned by it are paid to the Earnings Account for that Ship; and
- (c) the Minimum Liquidity amounts required to be maintained pursuant to Clause 11.19 (*Minimum Liquidity*) shall be maintained in the relevant Earnings Account of the Ship.

17.2 Monthly retentions

Each of the Borrowers undertakes with each Creditor Party to ensure that, on and from the date falling one month after the Drawdown Date and at monthly intervals thereafter during the Security Period, there are transferred to the Retention Account out of the Earnings received in the Earnings Accounts during the preceding month:

- (a) one-third of the amount of the relevant Repayment Instalment falling due under Clause 8.1 (*Amount of repayment instalments*) on the next Repayment Date; and
- (b) the relevant fraction of the aggregate amount of interest on the Loan which is payable on the next due date for payment of interest under this Agreement,

and the Borrowers irrevocably authorise the Agent to make those transfers if the Borrowers fail to do so.

The “**relevant fraction**”, in relation to paragraph (b), is a fraction of which the numerator is 1 and the denominator the number of months comprised in the then current Interest Period (or if the current Interest Period in respect of the Loan ends after the next due date for payment of interest under this Agreement, the number of months from the later of the commencement of the current Interest Period in respect of the Loan or the last due date for payment of interest to the next due date for payment of interest in respect of the Loan under this Agreement).

17.3 Shortfall in Earnings

If the aggregate Earnings received in an Earnings Account are insufficient at any time for the required amount to be transferred to the Retention Account under Clause 17.2 (*Monthly retentions*), the Borrowers shall immediately pay the amount of the insufficiency into the Retention Account.

17.4 Application of retentions

Until an Event of Default or a Potential Event of Default occurs, the Agent shall, to the extent there are sufficient funds standing to the credit of the Retention Account, on each Repayment Date and on each due date for the payment of interest under this Agreement distribute to the Lenders in accordance with Clause 16.4 (*Distribution of payments to Creditor Parties*) so much of the then balance on the Retention Account as equals:

- (a) the Repayment Instalment due on that Repayment Date pursuant to Clause 8.1 (*Amount of repayment instalments*); or
- (b) the amount of interest in respect of the Loan payable on that Interest Payment Date,
in discharge of the Borrowers’ liability for that Repayment Instalment or that interest.

17.5 Application of Earnings

Each Borrower undertakes with the Lenders that money from time to time credited to, or for the time being standing to the credit of, its Earnings Account shall (i) unless and until an Event of Default shall have occurred (whereupon the provisions of Clause 18.1 (*Normal order of application*) shall be and become applicable) or (ii) unless otherwise agreed in writing between the Borrowers and the Agent, be available for application in the following manner:

- (a) in or towards making payments of all amounts due and payable by the Borrowers under this Agreement (other than payments of principal and interest);
- (b) in or towards satisfaction of all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents;
- (c) in or towards satisfaction of the Loan;

- (d) in or towards making payments of all fees due to an Approved Manager and thereafter meeting the costs and expenses from time to time incurred by or on behalf of a Borrower in connection with the operation of the Ship owned by it; and
- (e) as to any surplus from time to time arising on an Earnings Account following application as aforesaid, to be paid to the Borrower owning that Ship or to whomsoever it may direct.

17.6 Location of account

Each Borrower shall promptly:

- (a) comply with any requirement of the Agent as to the location or re-location of its Earnings Account; and
- (b) execute any documents which the Agent specifies to create or maintain in favour of the Security Trustee a Security Interest over (and/or rights of set-off, consolidation or other rights in relation to) the Accounts.

17.7 Debits for expenses etc.

The Agent shall be entitled (but not obliged) from time to time to debit the Earnings Accounts without prior notice in order to discharge any amount due and payable under Clause 20 (*Fees and Expenses*) or 21 (*Indemnities*) to a Creditor Party or payment of which any Creditor Party has become entitled to demand under Clause 20 (*Fees and Expenses*) or 21 (*Indemnities*).

17.8 Borrowers' obligations unaffected

The provisions of this Clause 17 (*Application of Earnings*) (as distinct from a distribution effected under Clause 17.4 (*Application of retentions*)) do not affect:

- (a) the liability of the Borrowers to make payments of principal and interest on the due dates; or
- (b) any other liability or obligation of the Borrowers or any Security Party under any Finance Document.

17.9 Restriction on withdrawal

During the Security Period no sum may be withdrawn by a Borrower from the Retention Account.

18 APPLICATION OF RECEIPTS

18.1 Normal order of application

Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

- (a) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following proportions:
 - (i) first, in or towards satisfaction *pro rata* of all amounts then due and payable to the Agent and the Security Trustee under the Finance Documents other than those amounts referred to at (ii) and (iii) below (including, but without limitation, all amounts payable by any Borrower under Clauses 20 (*Fees and Expenses*), 21 (*Indemnities*) and 22 (*No Set-off or Tax Deduction*) of this Agreement or by any Borrower or any Security Party under any corresponding or similar provision in any other Finance Document);

- (ii) secondly, in or towards satisfaction *pro rata* of any and all amounts of interest or default interest due and payable to the Creditor Parties under the Finance Documents; and
 - (iii) thirdly, in or towards satisfaction of the Loan;
- (b) SECONDLY: in retention of an amount equal to any amount not then due and payable under any Finance Document but which the Agent, by notice to the Borrowers (or any of them), the Security Parties and the other Creditor Parties, states in its opinion will or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the foregoing provisions of this paragraph (a) of Clause 18.1 (*Normal order of application*);
- (c) THIRDLY: any expenses of the Borrowers or the Ships then due and payable;
- (d) FOURTHLY: in or towards satisfaction of any amounts representing management fees then due and payable by the Borrowers (or any of them) to an Approved Manager in connection with the Ships; and
- (e) FIFTHLY: any surplus shall be paid to the Borrowers (or any of them) or to any other person appearing to be entitled to it.

18.2 Variation of order of application

The Agent may, with the authorisation of the Majority Lenders by notice to the Borrowers, the Security Parties and the other Creditor Parties provide for a different manner of application from that set out in Clause 18.1 (*Normal order of application*) either as regards a specified sum or sums or as regards sums in a specified category or categories.

18.3 Notice of variation of order of application

The Agent may give notices under Clause 18.2 (*Variation of order of application*) from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

18.4 Appropriation rights overridden

This Clause 18 (*Application of Receipts*) and any notice which the Agent gives under Clause 18.2 (*Variation of order of application*) shall override any right of appropriation possessed, and any appropriation made, by any Borrower or any Security Party.

19 EVENTS OF DEFAULT

19.1 Events of Default

An Event of Default occurs if:

- (a) the Borrowers or any of them or any Security Party fails to pay when due or (if so payable) on demand any sum payable under a Finance Document or under any document relating to a Finance Document; or
- (b) any breach occurs of Clause 9.2 (*Waiver of conditions precedent*), 10.15 (*No money laundering; anti-bribery*), 10.18 (*Sanctions*), 11.2 (*Title and negative pledge*), 11.3 (*No disposal of assets*), 11.18 (*Sanctions*), 11.19 (*Minimum Liquidity*), 12.2 (*Maintenance of status*), 12.3 (*Negative undertakings*), 13.2 (*Maintenance of obligatory insurances*), 13.3 (*Terms of obligatory insurances*), 14.2 (*Ship's name and registration*), 14.3 (*Repair and Classification*), 15.2 (*Provision of additional security; prepayment*) or clause 12.3 (*negative undertakings*) of the Corporate Guarantee; or
- (c) any breach by the Borrowers or any of them or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b) above) if, in the opinion of the Majority Lenders, such default is capable of remedy, and such default continues unremedied 14 days after the earlier of (i) written notice from the Agent requesting action to remedy the same and (ii) any Borrower becoming aware of such breach; or
- (d) (subject to any applicable grace period specified in the Finance Document) any breach by the Borrowers or any of them or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a), (b) or (c) above); or
- (e) any representation, warranty or statement made or repeated by, or by an officer of, any Borrower or a Security Party in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading when it is made or repeated; or
- (f) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person (for an amount exceeding, in the case of any Relevant Person other than a Borrower \$20,000,000 (or the equivalent in any other currency) in aggregate):
 - (i) any Financial Indebtedness of a Relevant Person is not paid when due or, if so payable, on demand; or
 - (ii) any Financial Indebtedness of a Relevant Person becomes due and payable or capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default unless the Relevant Person is contesting the declaration of an event of default or of the Financial Indebtedness becoming due and payable in good faith and on substantial grounds by appropriate proceedings and adequate reserves have been set aside for its payment if such proceedings fail; or
 - (iii) a lease, hire purchase agreement or charter creating any Financial Indebtedness of a Relevant Person is terminated by the lessor or owner or becomes capable of being terminated as a consequence of any termination event; or
 - (iv) any overdraft, loan, note issuance, acceptance credit, letter of credit, guarantee, foreign exchange or other facility, or any swap or other derivative contract or transaction, relating to any Financial Indebtedness of a Relevant Person ceases to be available or becomes capable of being terminated as a result of any event of default, or cash cover is required, or becomes capable of being required, in respect of such a facility as a result of any event of default; or

- (v) any Security Interest securing any Financial Indebtedness of a Relevant Person becomes enforceable; or
- (g) any 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; or
- (h) any of the following occurs in relation to a Relevant Person:
 - (i) a Relevant Person becomes, in the reasonable opinion of the Lenders, unable to pay its debts as they fall due; or
 - (ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress which in the case of any Relevant Person, other than any Borrower, exceeds a sum of, or sums aggregating, \$20,000,000 or more or the equivalent in another currency and such execution, attachment, arrest, sequestration or distress is not withdrawn or discharged within thirty (30) days other than an arrest or detention of a Ship referred to in paragraph (g) of Clause 19.1 (*Events of Default*); or
 - (iii) any administrative or other receiver is appointed over any asset of a Relevant Person; or
 - (iv) an administrator is appointed (whether by the court or otherwise) in respect of a Relevant Person; or
 - (v) any formal declaration of bankruptcy or any formal statement to the effect that a Relevant Person is insolvent or likely to become insolvent is made by a Relevant Person or by the directors or officers of a Relevant Person or, in any proceedings, by a lawyer acting for a Relevant Person; or
 - (vi) a provisional liquidator is appointed in respect of a Relevant Person, a winding up order is made in relation to a Relevant Person or a winding up resolution is passed by a Relevant Person; or
 - (vii) a resolution is passed, an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by (aa) a Relevant Person, (bb) the members, shareholders, officers or directors of a Relevant Person, (cc) a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person, or (dd) a government minister or public or regulatory authority of a Pertinent Jurisdiction for or with a view to the winding up of that or another Relevant Person or the appointment of a provisional liquidator or administrator in respect of that or another Relevant Person, or that or another Relevant Person ceasing or suspending business operations or payments to creditors, save that this paragraph does not apply to a fully solvent winding up of a Relevant Person other than a Borrower or the Corporate Guarantor which is, or is to be, effected for the purposes of an amalgamation or reconstruction previously approved by the Majority Lenders and effected not later than 3 months after the commencement of the winding up; or

- (viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administrator is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (aa) the application or petition is dismissed or withdrawn within 60 days of being made or presented, or (bb) within 60 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there will be no administration and (in both cases (aa) or (bb)) the Relevant Person will continue to carry on business in the ordinary way and without being the subject of any actual, interim or pending insolvency law procedure; or
- (ix) a Relevant Person or its directors or officers take any steps (whether by making or presenting an application or petition to a court, or submitting or presenting a document setting out a proposal or proposed terms, or otherwise) with a view to obtaining, in relation to that or another Relevant Person, any form of moratorium, suspension or deferral of payments, reorganisation of debt (or certain debt) or arrangement with all or a substantial proportion (by number or value) of creditors or of any class of them or any such moratorium, suspension or deferral of payments, reorganisation or arrangement is effected by court order, by the filing of documents with a court, by means of a contract or in any other way at all; or
- (x) any meeting of the members, shareholders or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the members, shareholders, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or
- (xi) in a country other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the reasonable opinion of the Majority Lenders is similar to any of the foregoing; or
- (i) any Borrower or any Security Party ceases or suspends carrying on its business or a part of its business which, in the reasonable opinion of the Majority Lenders, is material in the context of this Agreement **Provided that** no Event of Default will occur under this paragraph (i) if the Security Party is an Approved Manager and the Borrowers replace such Approved Manager by another Approved Manager within 30 days from the date of such event; or
- (j) it becomes unlawful in any Pertinent Jurisdiction or impossible:
 - (i) for any Borrower or any Security Party to discharge any liability under a Finance Document or to comply with any other obligation which the Majority Lenders consider material under a Finance Document; or
 - (ii) for the Agent, the Security Trustee or the Lenders to exercise or enforce any right under, or to enforce any Security Interest created by, a Finance Document; or

- (k) any official consent necessary to enable any Borrower to own, operate or charter the Ship owned by it or to enable any Borrower or any Security Party to comply with any provision which the Majority Lenders reasonably consider material of a Finance Document is not granted, expires without being renewed, is revoked or becomes liable to revocation or any condition of such a consent is not fulfilled, unless the relevant Borrower contests any denial, expiration or revocation (other than with respect to a Finance Documents) and on the condition that, in the reasonable opinion of the Majority Lenders (i) there are real prospects of such contest being successfully granted/upheld by the relevant Borrower (ii) such contest being made in good faith; or
- (l) it appears to the Majority Lenders that, without their prior written consent, after the date of this Agreement:
- (i) a change has occurred in the legal or direct beneficial ownership of any of the shares in any Borrower or any Shareholder in the voting rights attaching to any of those shares; or
 - (ii) any Borrower ceases to be a wholly owned indirect subsidiary of the Corporate Guarantor; or
 - (iii) the Designated Unitholders own, in aggregate, less than 5 per cent. of the issued and outstanding common units in the Corporate Guarantor; or
 - (iv) the units of the Corporate Guarantor cease to be listed on the New York Stock Exchange (NYSE) or any other US or European stock exchange acceptable to the Agent; or
 - (v) Mrs Angeliki Frangou 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), ceases 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 Corporate Guarantor, which is currently Olympos Maritime Ltd; or
- (m) any provision which the Majority Lenders consider material of a Finance Document proves to have been or becomes invalid or unenforceable, or a Security Interest created by a Finance Document proves to have been or becomes invalid or unenforceable or such a Security Interest proves to have ranked after, or loses its priority to, another Security Interest or any other third party claim or interest; or
- (n) the security constituted by a Finance Document is in any way imperilled or in jeopardy; or
- (o) any other event occurs or any other circumstances arise or develop including, without limitation:
- (i) a material adverse change in the business, condition (financial or otherwise), operation, state of affairs or prospects of any Borrower, the Corporate Guarantor or the Group; or
 - (ii) any accident or other event involving any Ship or another vessel owned, chartered or operated by a Relevant Person,
- in the light of which the Majority Lenders reasonably consider that there is a significant risk that any Security Party is, or will later become, unable to discharge its liabilities under the Finance Documents as they fall due or the enforceability of any Finance Document may be adversely affected.

19.2 Actions following an Event of Default

On, or at any time after, the occurrence of an Event of Default, which is continuing:

- (a) the Agent may, and if so instructed by the Majority Lenders, the Agent shall:
- (i) serve on the Borrowers a notice stating that all or part of the Commitments and all other obligations of each Lender to the Borrowers under this Agreement are terminated; and/or
 - (ii) serve on the Borrowers a notice stating that all or part of the Loan, all accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or
 - (iii) take any other action which, as a result of the Event of Default or any notice served under sub-paragraph (i) or (ii) above, the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or
- (b) the Security Trustee may, and if so instructed by the Agent, acting with the authorisation of the Lenders, the Security Trustee shall take any action which, as a result of the Event of Default or any notice served under sub-paragraph (i) or (ii) of paragraph (a) above, the Security Trustee, the Agent and/or the Majority Lenders are entitled to take under any Finance Document or any applicable law.

19.3 Termination of Commitments

On the service of a notice under sub-paragraph (i) of paragraph (a) of Clause 19.2 (*Actions following an Event of Default*), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall terminate.

19.4 Acceleration of Loan

On the service of a notice under sub-paragraph (ii) of paragraph (a) of Clause 19.2 (*Actions following an Event of Default*), the Loan, all accrued interest and all other amounts accrued or owing from the Borrowers or any Security Party under this Agreement and every other Finance Document shall become immediately due and payable or, as the case may be, payable on demand.

19.5 Multiple notices; action without notice

The Agent may serve notices under sub-paragraphs (i) and (ii) of paragraph (a) of Clause 19.2 (*Actions following an Event of Default*) simultaneously or on different dates and it and/or the Security Trustee may take any action referred to in that Clause if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 Notification of Creditor Parties and Security Parties

The Agent shall send to each Lender, the Security Trustee and each Security Party a copy or the text of any notice which the Agent serves on the Borrowers under Clause 19.2 (*Actions following an Event of Default*); but the notice shall become effective when it is served on the Borrowers, and no failure or delay by the Agent to send a copy or the text of the notice to any other person shall invalidate the notice or provide the Borrowers or any Security Party with any form of claim or defence.

19.7 Creditor Party's rights unimpaired

Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1 (*Interests of Lenders several*).

19.8 Exclusion of Creditor Party Liability

No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to the Borrowers or a Security Party:

(a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or

(b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset,

except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been caused by the gross negligence or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 Relevant Persons

In this Clause 19 (*Events of Default*), a "**Relevant Person**" means a Borrower, a Security Party (excluding an Approved Manager), and any company which is a subsidiary of any Borrower or of a Security Party (excluding an Approved Manager) or of which any Borrower is a subsidiary.

19.10 Interpretation

In paragraph (f) of Clause 19.1 (*Events of Default*) references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in paragraph (g) of Clause 19.1 (*Events of Default*) "**petition**" includes an application.

20 FEES AND EXPENSES

20.1 Agency fee

The Borrowers shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

20.2 Upfront fee

The Borrowers shall pay to the Agent (for the account of each Lender) an upfront fee in the amount and at the times agreed in a Fee Letter.

20.3 Structuring fee

The Borrowers shall pay to the Arranger (for its own account) a structuring fee in the amount and at the times agreed in a Fee Letter.

20.4 Costs of negotiation, preparation etc.

The Borrowers shall pay to the Agent, within seven Business Days' from its demand, the amount of all expenses incurred by the Agent or the Security Trustee in connection with the negotiation, preparation, execution, printing or registration of any Finance Document or any related document or with any transaction contemplated by a Finance Document or a related document (including, without limitation, out of pocket expenses, legal fees and any related VAT), even if the transaction is not completed for any reason whatsoever.

20.5 Costs of variations, amendments, enforcement etc.

The Borrowers shall pay to the Agent, within ten Business Days' from its demand, the amount of all documented expenses incurred by a Creditor Party in connection with:

- (a) any amendment or supplement to a Finance Document, or any proposal for such an amendment to be made (including, without limitation, any amendment or proposal for an amendment contemplated in Clause 27.4 (*Changes to reference rates*));
- (b) any consent or waiver by the Lenders, the Majority Lenders or the Creditor Party concerned under or in connection with a Finance Document, or any request for such a consent or waiver;
- (c) the valuation of any security provided or offered under Clause 15 (*Security Cover*) or any other matter relating to such security;
- (d) where the Agent, in its absolute opinion, considers that there has been a material change to the insurances in respect of a Ship, the review of the insurances of a Ship pursuant to Clause 13.18 (*Review of insurance requirements*);
- (e) the opinions of the independent insurance consultant referred to in paragraph 6 of Part B, Schedule 3 (*Condition Precedent Documents*); and
- (f) any step taken by any Lender concerned with a view to the protection, exercise or enforcement of any right or Security Interest created by a Finance Document or for any similar purpose.

There shall be recoverable under paragraph (d) the full amount of all legal expenses, whether or not such as would be allowed under rules of court or any taxation or other procedure carried out under such rules.

20.6 Documentary taxes

The Borrowers shall promptly pay any tax payable on or by reference to any Finance Document, and shall, on the Agent's demand, fully indemnify each Creditor Party against any liabilities, claims losses and expenses resulting from any failure or delay by the Borrowers to pay such a tax.

20.7 Certification of amounts

A notice which is signed by two officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 20 (*Fees and Expenses*) and which indicates (without necessarily specifying a detailed breakdown) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21 INDEMNITIES

21.1 Indemnities regarding borrowing and repayment of Loan

The Borrowers shall fully indemnify the Agent and each Lender on the Agent's demand and the Security Trustee on its demand in respect of all claims, expenses, liabilities and losses which are made or brought against or incurred by that Creditor Party, or which that Creditor Party reasonably and with due diligence estimates that it will incur, as a result of or in connection with:

- (a) the Loan not being borrowed on the date specified in the Drawdown Notice for any reason other than a default by the Lender claiming the indemnity;
- (b) any failure (for whatever reason) by the Borrowers to make payment of any amount due under a Finance Document on the due date or, if so payable, on demand (after giving credit for any default interest paid by the Borrowers on the amount concerned under Clause 5.3 (*Default Interest*)); and
- (c) the occurrence and/or continuance of an Event of Default and/or the acceleration of repayment of the Loan under Clause 19 (*Events of Default*),

and in respect of any tax (other than tax on its overall net income or a FATCA Deduction) for which a Creditor Party is liable in connection with any amount paid or payable to that Creditor Party (whether for its own account or otherwise) under any Finance Document.

21.2 Miscellaneous indemnities

The Borrowers shall fully indemnify each Creditor Party severally on their respective demands in respect of all claims, demands, proceedings, liabilities, taxes, losses and expenses of every kind ("**liability items**") which may be made or brought against, or incurred by, a Creditor Party, in any country, in relation to:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document; and
- (b) any other event, matter or question which occurs or arises at any time during the Security Period and which has any connection with, or any bearing on, any Finance Document, any payment or other transaction relating to a Finance Document or any asset covered (or previously covered) by a Security Interest created (or intended to be created) by a Finance Document,

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.3 Extension of indemnities; environmental indemnity

Without prejudice to its generality, Clause 21.2 (*Miscellaneous indemnities*) covers:

- (a) any matter which would be covered by Clause 21.2 (*Miscellaneous indemnities*) if any of the references in that Clause to a Lender were a reference to the Agent or (as the case may be) to the Security Trustee; and

- (b) any liability items which arise, or are asserted, under or in connection with any law relating to safety at sea, pollution or the protection of the environment, the ISM Code, the ISPS Code or any Environmental Law.

21.4 Currency indemnity

If any sum due from a Borrower or any Security Party to a Creditor Party under a Finance Document or under any order or judgment relating to a Finance Document has to be converted from the currency in which the Finance Document provided for the sum to be paid (the “**Contractual Currency**”) into another currency (the “**Payment Currency**”) for the purpose of:

- (a) making or lodging any claim or proof against a Borrower or any Security Party, whether in its liquidation, any arrangement involving it or otherwise; or
- (b) obtaining an order or judgment from any court or other tribunal; or
- (c) enforcing any such order or judgment,

the Borrowers shall indemnify the Creditor Party concerned against the loss arising when the amount of the payment actually received by that Creditor Party is converted at the available rate of exchange into the Contractual Currency.

In this Clause 21.4 (*Currency indemnity*), the “**available rate of exchange**” means the rate at which the Creditor Party concerned is able at the opening of business (London time) on the Business Day after it receives the sum concerned to purchase the Contractual Currency with the Payment Currency.

This Clause 21.4 (*Currency indemnity*) creates a separate liability of each Borrower which is distinct from its other liabilities under the Finance Documents and which shall not be merged in any judgment or order relating to those other liabilities.

21.5 Certification of amounts

A notice which is signed by 2 officers of a Creditor Party, which states that a specified amount, or aggregate amount, is due to that Creditor Party under this Clause 21 (*Indemnities*) and which indicates (without necessarily specifying a detailed breakdown of the amounts due) the matters in respect of which the amount, or aggregate amount, is due shall be prima facie evidence that the amount, or aggregate amount, is due.

21.6 Sums deemed due to a Lender

For the purposes of this Clause 21 (*Indemnities*), a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to a Lender shall be treated as a sum due to that Lender.

21.7 Sanctions

- (a) The Borrowers shall, within three (3) Business Days of demand by a Creditor Party, indemnify each Creditor Party against any cost, loss or liability incurred by it as a result of any civil penalty or fine against, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred in connection with the defence thereof by, the Agent or any Lender as a result of conduct of the Borrowers or any Security Party or any of their partners, directors, officers, employees, agents or advisors, that violates any Sanctions.

- (b) The indemnity in paragraph (a) of Clause 21.7 (*Sanctions*) above shall cover any losses incurred by each Creditor Party in any jurisdiction arising or asserted under or in connection with any law relating to any Sanctions.

22 NO SET-OFF OR TAX DEDUCTION

22.1 No deductions

All amounts due from the Borrowers under a Finance Document shall be paid:

- (a) without any form of set-off, cross-claim or condition; and
- (b) free and clear of any tax deduction except a tax deduction which a Borrower is required by law to make.

22.2 Grossing-up for taxes

If a Borrower is required by law to make a tax deduction from any payment:

- (a) that Borrower shall notify the Agent as soon as it becomes aware of the requirement;
- (b) that Borrower shall pay the tax deducted to the appropriate taxation authority promptly, and in any event before any fine or penalty arises; and
- (c) the amount due in respect of the payment shall be increased by the amount necessary to ensure that each Creditor Party receives and retains (free from any liability relating to the tax deduction) a net amount which, after the tax deduction, is equal to the full amount which it would otherwise have received.

22.3 Evidence of payment of taxes

Within 1 month after making any tax deduction, the Borrowers concerned shall deliver to the Agent documentary evidence satisfactory to the Agent that the tax had been paid to the appropriate taxation authority.

22.4 Exclusion of tax on overall net income

In this Clause 22 (*No Set-off or Tax Deduction*) “**tax deduction**” means any deduction or withholding for or on account of any present or future tax except tax on a Creditor Party’s overall net income or a FATCA Deduction.

22.5 FATCA information

- (a) Subject to paragraph (c) below, each party to the Finance Documents shall, within 5 Business Days of a reasonable request by another party to the Finance Documents:
 - (i) confirm to that other party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party; and

- (ii) supply to that other party such forms, documentation and other information relating to its status under FATCA as that other party reasonably requests for the purposes of that other party's compliance with FATCA; and
 - (iii) supply to that other party such forms, documentation and other information relating to its status as that other party reasonably requests for the purposes of that other party's compliance with any other law, regulation or exchange of information regime;
- (b) if a party to any Finance Document confirms to another party pursuant to sub-paragraph (i) of paragraph (a) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not, or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly;
- (c) paragraph (a) above shall not oblige any Creditor Party, and sub-paragraph (iii) of paragraph (a) above shall not oblige any other party to a Finance Document, to do anything which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality;
- (d) if a party to any Finance Document fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with sub-paragraph (i) or (ii) of paragraph (a) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such party shall be treated for the purposes of the Finance Documents as if it is not a FATCA Exempt Party until such time as the party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is or becomes a US Tax Obligor or a FATCA FFI, it shall as soon as reasonably practicable inform the Agent of the same;
- (f) Where the Agent reasonably believes that its obligations under FATCA require it, the relevant Borrower or the relevant Security Party shall provide the Agent, upon request, with a W-8 BEN-E form (or any successor form) or any other forms or documentation the Agent may reasonably require, as soon as reasonably practicable. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (f);
- (g) If a Borrower is or becomes a US Tax Obligor or a FATCA FFI, or where the Agent reasonably believes that its obligations under FATCA require it, each Creditor Party shall, within 10 Business Days of the date of a request from the Agent supply to the Agent:
 - (i) a withholding certificate on Form W-8 or Form W-9 (or any successor form) (as applicable); and/or
 - (ii) any withholding statement and other documentation, authorisations and waivers as the Agent may require to certify or establish the status of such Creditor Party under FATCA,

the Agent shall provide any withholding certificate, withholding statement, documentation, authorisations and waivers it receives from a Creditor Party pursuant to this paragraph (g) to that Borrower or the relevant Security Party and shall be entitled to rely on any such withholding certificate, withholding statement, documentation, authorisations and waivers provided without further verification. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (g); and

- (h) The Borrowers, each Security Party and each Creditor Party agrees that if any withholding certificate, withholding statement, documentation, authorisations and waivers provided to the Agent pursuant to paragraphs (f) to (g) above is or becomes materially inaccurate or incomplete, it shall promptly update such withholding certificate, withholding statement, documentation, authorisations and waivers or promptly notify the Agent in writing of its legal inability to do so. The Agent shall, if applicable, provide any such updated withholding certificate, withholding statement, documentation, authorisations and waivers to the Borrowers or the relevant Security Party. The Agent shall not be liable for any action which it takes or refrains from taking under or in connection with this paragraph (h).

22.6 FATCA Deduction

- (a) Each party to a Finance Document may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and shall not be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each party to a Finance Document shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to a Finance Document to whom it is making the payment and, in addition, shall notify the Borrowers and the Agent and the Agent shall notify the other Creditor Parties.

23 ILLEGALITY, ETC

23.1 Illegality

This Clause 23 (*Illegality, etc*) applies if a Lender (the “**Notifying Lender**”) notifies the Agent that it has become, or will with effect from a specified date, become for that Lender or any affiliate of that Lender:

- (a) unlawful or prohibited as a result of the introduction of a new law, an amendment to an existing law or a change in the manner in which an existing law is or will be interpreted or applied; or
- (b) contrary to, or inconsistent with, any regulation,
- for the Notifying Lender to maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement.

23.2 Notification of illegality

The Agent shall promptly notify the Borrowers, the Security Parties, the Security Trustee and the other Lenders of the notice under Clause 23.1 (*Illegality*) which the Agent receives from the Notifying Lender.

23.3 Prepayment; termination of Commitment

On the Agent notifying the Borrowers under Clause 23.2 (*Notification of illegality*), the Notifying Lender’s Commitment shall terminate; and thereupon or, if later, on the date specified in the Notifying Lender’s notice under Clause 23.1 (*Illegality*) as the date on which the notified event would become effective the Borrowers shall prepay the Notifying Lender’s Contribution in accordance with Clause 8 (*Repayment and Prepayment*).

24 INCREASED COSTS

24.1 Increased costs

(a) Each Borrower shall, within 3 Business Days of a demand by the Agent, pay for the account of a Creditor Party the amount of any Increased Costs incurred by that Creditor Party or any of its affiliates as a result of:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation; or
- (ii) compliance with any law or regulation made,

after the date of this Agreement.

(b) In this Agreement, “**Increased Costs**” means:

- (i) a reduction in the rate of return from the Loan or on a Creditor Party’s (or its affiliate’s) overall capital;
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Creditor Party or any of its affiliates to the extent that it is attributable to that Creditor Party having entered into its Commitment or funding or performing its obligations under any Finance Document and, for the avoidance of doubt, includes any Increased Costs incurred or suffered by a Creditor Party or any of its affiliates as a result of or with connection to Basel III, CRD IV or CRR,

but not an item attributable to a change in the rate of tax on the overall net income of the Notifying Lender (aa) (or a parent company of it) or (bb) an item covered by the indemnity for tax in Clause 21.1 (*Indemnities regarding borrowing and repayment of Loan*) or by Clause 22 (*No Set-off or Tax Deduction*) or (cc) a FATCA Deduction.

24.2 Increased cost claims

(a) A Creditor Party (the “**Notifying Lender**”) intending to make a claim pursuant to Clause 24.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.

(b) Each Creditor Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

24.3 Notification to Borrowers of claim for increased costs

The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.2 (*Increased cost claims*).

24.4 Payment of increased costs

The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Notifying Lender the amounts which the Agent from time to time notifies the Borrowers that the Notifying Lender has specified to be necessary to compensate the Notifying Lender for the increased cost.

24.5 Notice of prepayment

If the Borrowers are not willing to continue to compensate the Notifying Lender for the increased cost under Clause 24.4 (*Payment of increased costs*), the Borrowers may give the Agent not less than 15 days' notice of their intention to prepay the Notifying Lender's Contribution at the end of an Interest Period and/or to cancel the Notifying Lender's Available Commitment.

24.6 Prepayment; termination of Commitment

A notice under Clause 24.5 (*Notice of prepayment*) shall be irrevocable; the Agent shall promptly notify the Notifying Lender of the Borrowers' notice of intended prepayment; and:

- (a) on the date on which the Agent serves that notice, the Commitment of the Notifying Lender shall be cancelled; and
- (b) on the date specified in its notice of intended prepayment, the Borrowers shall prepay (without premium or penalty) the Notifying Lender's Contribution, together with accrued interest thereon at the applicable rate plus the Margin.

24.7 Application of prepayment

Clause 8 (*Repayment and Prepayment*) shall apply in relation to the prepayment.

25 SET-OFF

25.1 Application of credit balances

Each Creditor Party may without prior notice:

- (a) apply any balance (whether or not then due) which at any time stands to the credit of any account in the name of a Borrower at any office in any country of that Creditor Party in or towards satisfaction of any sum then due from that Borrower to that Creditor Party under any of the Finance Documents; and
- (b) for that purpose:
 - (i) break, or alter the maturity of, all or any part of a deposit of that Borrower;
 - (ii) convert or translate all or any part of a deposit or other credit balance into dollars; and
 - (iii) enter into any other transaction or make any entry with regard to the credit balance which the Creditor Party concerned considers appropriate.

25.2 Existing rights unaffected

No Creditor Party shall be obliged to exercise any of its rights under Clause 25.1 (*Application of credit balances*); and those rights shall be without prejudice and in addition to any right of set-off, combination of accounts, charge, lien or other right or remedy to which a Creditor Party is entitled (whether under the general law or any document).

25.3 Sums deemed due to a Lender

For the purposes of this Clause 25 (*Set-off*), a sum payable by the Borrowers to the Agent or the Security Trustee for distribution to, or for the account of, a Lender shall be treated as a sum due to that Lender; and each Lender's proportion of a sum so payable for distribution to, or for the account of, the Lenders shall be treated as a sum due to such Lender.

25.4 No Security Interest

This Clause 25 (*Set-off*) gives the Creditor Parties a contractual right of set off only and does not create any equitable charge or other Security Interest over any credit balance of any Borrower.

26 TRANSFERS AND CHANGES IN LENDING OFFICES

26.1 Transfer by Borrowers

No Borrower may, without the consent of the Agent, given on the instructions of all the Lenders:

- (a) transfer any of its rights or obligations under any Finance Document; or
- (b) enter into any merger, de-merger or other reorganisation, or carry out any other act, as a result of which any of its rights or liabilities would vest in, or pass to, another person.

26.2 Transfer by a Lender

- (a) Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender (the "**Transferor Lender**") may at any time, without the prior written consent of the Borrowers (but with a 15 days' prior notice), transfer and/or assign:

- (i) its rights in respect of all or part of its Contribution; or
- (ii) its obligations in respect of all or part of its Commitment; or
- (iii) a combination of (i) and (ii),

to another Lender, another branch, subsidiary or affiliate of a Lender, another first class international bank or financial institution, any member of the European System of Central Banks, a trust/fund managed by a Lender or an affiliate of a Lender, or to any (re)insurers and insurance companies or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in shipping loans, securities or other financial assets (a "**Transferee Lender**") by delivering to the Agent a completed certificate in the form set out in Schedule 4 (*Transfer Certificate*) with any modifications approved or required by the Agent (a "**Transfer Certificate**") executed by the Transferor Lender and the Transferee Lender.

However, any rights and obligations of the Transferor Lender in its capacity as Agent or Security Trustee will have to be dealt with separately in accordance with the Agency and Trust Deed.

26.3 Transfer Certificate, delivery and notification

As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

- (a) sign the Transfer Certificate on behalf of itself, each Borrower, the Security Parties, the Security Trustee and each of the other Lenders;
- (b) on behalf of the Transferee Lender, send to each Borrower and each Security Party letters or faxes notifying them of the Transfer Certificate and attaching a copy of it; and
- (c) send to the Transferee Lender copies of the letters or faxes sent under paragraph (b) above,

provided that the Agent is satisfied that the Transferee Lender has complied with all necessary “know your customer” or other similar checks under all applicable laws and regulations in relation to the transfer to such Transferee Lender.

26.4 Effective Date of Transfer Certificate

A Transfer Certificate becomes effective on the date, if any, specified in the Transfer Certificate as its effective date **Provided that** it is signed by the Agent under Clause 26.3 (*Transfer Certificate, delivery and notification*) on or before that date.

26.5 No transfer without Transfer Certificate

No assignment or transfer of any right or obligation of a Lender under any Finance Document is binding on, or effective in relation to, any Borrower, any Security Party, the Agent or the Security Trustee unless it is effected, evidenced or perfected by a Transfer Certificate.

26.6 Lender re-organisation; waiver of Transfer Certificate

However, if a Lender enters into any merger, de-merger or other reorganisation as a result of which all its rights or obligations vest in another person (the “**successor**”), the Agent may, if it sees fit, by notice to the successor and the Borrowers and the Security Trustee waive the need for the execution and delivery of a Transfer Certificate; and, upon service of the Agent’s notice, the successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender.

26.7 Effect of Transfer Certificate

A Transfer Certificate takes effect in accordance with English law as follows:

- (a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender’s title and of any rights or equities which the Borrowers or any Security Party had against the Transferor Lender;
- (b) the Transferor Lender’s Commitment is discharged to the extent specified in the Transfer Certificate;

- (c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;
- (d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;
- (e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate's effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the transferor, assuming that any defects in the transferor's title and any rights or equities of any Borrower or any Security Party against the Transferor Lender had not existed;
- (f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under Clause 7.2 (*Market disruption*) and Clause 20 (*Fees and Expenses*), and to the extent that the Transferee Lender becomes entitled to such rights, the Transferor Lender ceases to be entitled to them; and
- (g) in respect of any breach of a warranty, undertaking, condition or other provision of a Finance Document or any misrepresentation made in or in connection with a Finance Document, the Transferee Lender shall be entitled to recover damages by reference to the loss incurred by it as a result of the breach or misrepresentation, irrespective of whether the original Lender would have incurred a loss of that kind or amount.

The rights and equities of any Borrower or any Security Party referred to above include, but are not limited to, any right of set off and any other kind of cross-claim.

26.8 Maintenance of register of Lenders

During the Security Period the Agent shall maintain a register in which it shall record the name, Commitment, Contribution and administrative details (including the lending office) from time to time of each Lender holding a Transfer Certificate and the effective date (in accordance with Clause 26.4 (*Effective Date of Transfer Certificate*)) of the Transfer Certificate; and the Agent shall make the register available for inspection by any Lender, the Security Trustee and the Borrowers during normal banking hours, subject to receiving at least 3 Business Days prior notice.

26.9 Reliance on register of Lenders

The entries on that register shall, in the absence of manifest error, be conclusive in determining the identities of the Lenders and the amounts of their Commitments and Contributions and the effective dates of Transfer Certificates and may be relied upon by the Agent and the other parties to the Finance Documents for all purposes relating to the Finance Documents.

26.10 Authorisation of Agent to sign Transfer Certificates

The Borrowers, the Security Trustee and each Lender irrevocably authorise the Agent to sign Transfer Certificates on its behalf.

26.11 Registration fee

In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of \$1,500 (and all costs, fees and expenses incidental to the transfer (including, but not limited to legal fees and expenses)) from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.12 Sub-participation; subrogation assignment

A Lender may sub-participate all or any part of its rights and/or obligations under or in connection with the Finance Documents without the consent of, or any notice to, the Borrowers, any Security Party, the Agent or the Security Trustee; and the Lenders may assign, in any manner and terms, all or any part of those rights to an insurer or surety who has become subrogated to them.

26.13 Disclosure of information

Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender may, disclose to a potential Transferee Lender or, to any sub-participant any information which the Lender has received in relation to the Borrowers, any Security Party or their affairs under or in connection with any Finance Document, unless the information is clearly of a confidential nature only after a potential Transferee Lender or any sub-participant to whom disclosure is made agrees to be bound by the terms of the confidentiality undertaking in this Clause 26.13 (*Disclosure of information*) by way of a confidentiality agreement in a form recommended by the LMA from time to time or acceptable to the Borrowers.

The Borrowers agree that the terms and conditions of this Agreement shall remain confidential and shall not, or shall procure that the Corporate Guarantor shall not, disclose (whether, without limitation, in writing or orally) to third parties (other than any disclosure to the Corporate Guarantor's unitholders, officers, employees or professional advisers **provided that** the person to whom disclosure is made agrees to be bound by the terms of the confidentiality undertaking in this Clause 26.13 (*Disclosure of information*) any information required to be disclosed by law, regulation or any governmental or competent regulatory authority (including without limitation, any securities exchange), provided that, to the extent reasonably practicable, the Corporate Guarantor shall inform the Agent on the proposed form, timing, nature and purpose of the disclosure) the existence of this Agreement or the terms and conditions contained herein without the prior written consent of the Lenders.

26.14 Change of lending office

A Lender may change its lending office by giving notice to the Agent and the change shall become effective on the later of:

- (a) the date on which the Agent receives the notice; and
- (b) the date, if any, specified in the notice as the date on which the change will come into effect.

26.15 Notification

On receiving such a notice, the Agent shall notify the Borrowers and the Security Trustee; and, until the Agent receives such a notice, it shall be entitled to assume that a Lender is acting through the lending office of which the Agent last had notice.

26.16 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 26 (*Transfers and Changes in Lending Offices*), each Lender may without consulting with or obtaining consent from any Borrower or any Security Party, at any time charge, assign or otherwise create a Security Interest in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and
- (b) in the case of any Lender which is a fund, any charge, assignment or other Security Interest granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities; except that no such charge, assignment or Security Interest shall:
 - (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security Interest for the Lender as a party to any of the Finance Documents; or
 - (ii) require any payments to be made by the Borrowers or any Security Party 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 VARIATIONS AND WAIVERS BY MAJORITY LENDERS

27.1 Variations, waivers etc. by Lenders

Subject to Clause 27.2 (*Variations, waivers etc. requiring agreement of all Lenders*), a document shall be effective to vary, waive, suspend or limit any provision of a Finance Document, or any Creditor Party's rights or remedies under such a provision or the general law, only if the document is signed, or specifically agreed to by fax, by the Borrowers, by the Agent on behalf of the Majority Lenders, by the Agent and the Security Trustee in their own rights, and, if the document relates to a Finance Document to which a Security Party is party, by that Security Party.

27.2 Variations, waivers etc. requiring agreement of all Lenders

Subject to Clause 27.4 (*Changes to reference rates*), as regards the following, Clause 27.1 (*Variations, waivers etc. by Lenders*) applies as if the words "by the Agent on behalf of the Majority Lenders" were replaced by the words "by or on behalf of every Lender":

- (a) a reduction in the Margin;
- (b) a postponement to the date for, or a reduction in the amount of, any payment of principal, interest, fees or other sum payable under this Agreement;
- (c) an increase in any Lender's Commitment;
- (d) a change to the definition of "**Majority Lenders**";

- (e) a change to Clause 3 (*Position of the Lenders*) or this Clause 27 (*Variations and Waivers by majority lenders*);
- (f) any release of, or material variation to, a Security Interest, guarantee, indemnity or subordination arrangement set out in a Finance Document; and
- (g) any other change or matter as regards which this Agreement or another Finance Document expressly provides that each Lender's consent is required.

27.3 Exclusion of other or implied variations

Except for a document which satisfies the requirements of Clauses 27.1 (*Variations, waivers etc. by Lenders*) and 27.2 (*Variations, waivers etc. requiring agreement of all Lenders*), no document, and no act, course of conduct, failure or neglect to act, delay or acquiescence on the part of the Creditor Parties or any of them (or any person acting on behalf of any of them) shall result in the Creditor Parties or any of them (or any person acting on behalf of any of them) being taken to have varied, waived, suspended or limited, or being precluded (permanently or temporarily) from enforcing, relying on or exercising:

- (a) a provision of this Agreement or another Finance Document; or
- (b) an Event of Default; or
- (c) a breach by a Borrower or a Security Party of an obligation under a Finance Document or the general law; or
- (d) any right or remedy conferred by any Finance Document or by the general law,

and there shall not be implied into any Finance Document any term or condition requiring any such provision to be enforced, or such right or remedy to be exercised, within a certain or reasonable time.

27.4 Changes to reference rates

- (a) Any amendment or waiver which relates to:

- (i) providing for the use of a Replacement Reference Rate in place of (or in addition to) that Published Rate; and
- (ii)
 - (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
 - (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
 - (C) implementing market conventions applicable to that Replacement Reference Rate;

- (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Borrowers.

- (b) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within five Business Days (or such longer time period in relation to any request which the Borrowers and the Agent may agree) of that request being made:
 - (i) its Commitment 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.

- (c) In this Clause 27.4:

“Published Rate” means:

- (a) SOFR; or
- (b) Term SOFR for any Quoted Tenor.

“Quoted Tenor” means, in relation to Term SOFR, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

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

“Replacement Reference Rate” means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:
 - (i) the administrator of that Published Rate; or
 - (ii) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “**Replacement Reference Rate**” will be the replacement under paragraph (ii) above;

- (b) in the opinion of the Majority Lenders and the Borrowers, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor or alternative to a Published Rate; or
- (c) in the opinion of the Majority Lenders and the Borrowers, an appropriate successor or alternative to a Published Rate.

28 NOTICES

28.1 General

Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter or fax; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

28.2 Addresses for communications

A notice shall be sent:

- (a) to a Borrower: c/o Navios Shipmanagement Inc.
85 Akti Miaouli
Piraeus 185 38
Greece

Tel: +30 210 417 2050
Fax: +30 210 417 2070
E-mail: vpapaefthymiou@Navios.com;
legal_corp@Navios.com;

for the attention of: Vassiliki Papaefthymiou
- (b) to a Lender: At the address below its name in Schedule 1 or (as the case may require) in the relevant Transfer Certificate.
- (c) to the Mandated Lead: Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France

E-mail: clementine.costil@ca-cib.com; romy.rousseau@ca-cib.com;
charlene.marguethintz@ca-cib.com;

Copy : nicoletta.panayiotopoulos@ca-cib.com;
george.gkanasoulis@ca-cib.com;
- (d) to the Agent and the Crédit Agricole Corporate and Investment Bank

- Security Trustee: 12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France
- E-mail: clementine.costil@ca-cib.com; romy.rousseau@ca-cib.com;
charlene.marguethertz@ca-cib.com;
- Copy : nicoletta.panayiotopoulos@ca-cib.com;
george.gkanasoulis@ca-cib.com;
- (e) to the Account Bank: Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France
- E-mail:
clementine.costil@ca-cib.com;
romy.rousseau@ca-cib.com;
charlene.marguethertz@ca-cib.com;
- Copy :
nicoletta.panayiotopoulos@ca-cib.com;
george.gkanasoulis@ca-cib.com;

or to such other address as the relevant party may notify the Agent or, if the relevant party is the Agent or the Security Trustee, the Borrowers, the Lenders and the Security Parties.

28.3 Effective date of notices

Subject to Clauses 28.4 (*Service outside business hours*) and 28.5 (*Illegible notices*):

- (a) a notice which is delivered personally or posted shall be deemed to be served, and shall take effect, at the time when it is delivered; and
- (b) a notice which is sent by fax shall be deemed to be served, and shall take effect, 2 hours after its transmission is completed.

28.4 Service outside business hours

However, if under Clause 28.3 (*Effective date of notices*) a notice would be deemed to be served:

- (a) on a day which is not a business day in the place of receipt; or
 - (b) on such a business day, but after 5 p.m. local time,
- the notice shall (subject to Clause 28.5 (*Illegible notices*)) be deemed to be served, and shall take effect, at 9 a.m. on the next day which is such a business day.

28.5 Illegible notices

Clauses 28.3 (*Effective date of notices*) and 28.4 (*Service outside business hours*) do not apply if the recipient of a notice notifies the sender within 1 hour after the time at which the notice would otherwise be deemed to be served that the notice has been received in a form which is illegible in a material respect.

28.6 Valid notices

A notice under or in connection with a Finance Document shall not be invalid by reason that its contents or the manner of serving it do not comply with the requirements of this Agreement or, where appropriate, any other Finance Document under which it is served if:

- (a) the failure to serve it in accordance with the requirements of this Agreement or other Finance Document, as the case may be, has not caused any party to suffer any significant loss or prejudice; or
- (b) in the case of incorrect and/or incomplete contents, it should have been reasonably clear to the party on which the notice was served what the correct or missing particulars should have been.

28.7 English language

Any notice under or in connection with a Finance Document shall be in English.

28.8 Meaning of “notice”

In this Clause “notice” includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

29 SUPPLEMENTAL

29.1 Rights cumulative, non-exclusive

The rights and remedies which the Finance Documents give to each Creditor Party are:

- (a) cumulative;
- (b) may be exercised as often as appears expedient; and
- (c) shall not, unless a Finance Document explicitly and specifically states so, be taken to exclude or limit any right or remedy conferred by any law.

29.2 Severability of provisions

If any provision of a Finance Document is or subsequently becomes void, unenforceable or illegal, that shall not affect the validity, enforceability or legality of the other provisions of that Finance Document or of the provisions of any other Finance Document.

29.3 Third party rights

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

29.4 Waiver of Banking Secrecy

The Borrowers hereby irrevocably authorise and give consent to the Agent and, each of its affiliates, and their respective subsidiaries, branches and representative offices and their respective directors, officers, employees and agents (the “**Authorised Persons**” and each an “**Authorised Person**”), to disclose and transmit to the Applicable Persons, whether orally, in writing or by any other means, information and documents which relates to, or are connected with, the Borrowers, their beneficial owner, any other member of the Group, their business, dealings or assets (the “**Information**”), from time to time and to the extent that the Authorised Person deems such disclosure or transmission to be necessary or desirable for or incidental to the carrying out of its duties, obligations, commitments and activities whether arising under contract or by operation of law and/or consolidated supervision and risk management policy, to the extent that the Information is covered by banking secrecy under any applicable law in general and French banking secrecy rules in particular and/or:

- (a) necessary or desirable for the purposes of its internal cross-selling enabling the Borrowers and/or any other member of the Group to benefit from the Agent’s or any other Authorised Person’s business activities; and/or
- (b) necessary or desirable to insure a risk related to the Borrowers and/or any other member of the Group; and/or
- (c) necessary or desirable to syndicate a risk related to the Borrowers and/or any other member of the Group; and/or
- (d) necessary or desirable to securitise a risk related to the Borrowers and/or any other member of the Group; and/or
- (e) necessary or desirable to open an account or to start a business relation with the Agent’s or any other Authorised Person’s parent company or any of its subsidiaries or branches.

In this Clause 29.4 (*Waiver of Banking Secrecy*), “**Applicable Person**” means any or all of the following persons:

- (i) any authority or person against which, pursuant to any applicable law, administrative order or court ruling, banking secrecy may not be validly asserted by an Authorised Person;
- (ii) the Agent’s or any other Authorised Person’s parent company, any of its subsidiaries, branches or representative offices;
- (iii) any rating agency, auditor, insurance and reinsurance company, broker or professional adviser, to the extent such entity or person is bound by a statutory or contractual duty of confidentiality;
- (iv) any financial institution and institutional or other investor who is or might be involved in securitisation schemes, hedging agreements, participations, credit derivatives or any other risk transfer or sharing arrangements, including, inter alia, a bank and/or other financial institution’s participation in, or syndication in respect of, the Loan;
- (v) any potential assignee or transferee or person who has entered into or is proposing to enter into contractual arrangements with the Authorised Person in relation to a Borrower; and

- (vi) any external computer services provider, for the purpose of maintenance or repair of the Agent's or any other Authorised Person's computer systems and date provided that such external computer services provider is bound by the confidentiality policy of Crédit Agricole Corporate and Investment Bank.

29.5 Counterparts

A Finance Document may be executed in any number of counterparts.

30 CONFIDENTIALITY

30.1 Confidential Information

Each Creditor Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clauses 30.2 (*Disclosure of Confidential Information*) and 30.3 (*Disclosure to numbering service providers*) and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information taking also into account the public nature of the Corporate Guarantor.

30.2 Disclosure of Confidential Information

Any Creditor Party may disclose:

- (a) to any of its affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, insurers, reinsurers, brokers, insurance brokers, reinsurance brokers, partners and Representatives such Confidential Information as that Creditor Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Borrowers and/or any Security Party and to any of that person's affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Creditor Party or by a person to whom sub-paragraph (i) or (ii) of paragraph (b) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;

- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (i) or (ii) of paragraph (b) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Creditor Party charges, assigns or otherwise creates a Security Interest (or may do so) pursuant to Clause 26.16 (*Security over Lenders' rights*), including to a federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) to (or through) whom it creates Security Interest pursuant to Clause 26.16 (*Security over Lenders' rights*) and any federal reserve or central bank (including, for the avoidance of doubt, the European Central Bank) may disclose such Confidential Information to a third party to whom it transfers (or may potentially transfer) rights under the Finance Documents or the securities issued by the special purpose vehicle in connection with the enforcement of such Security Interest;
- (viii) who is a party to a Finance Document, a member of the Group or any related entity of the Borrowers or any Security Party; or
- (ix) with the consent of the Borrowers;

in each case, such Confidential Information as that Creditor Party shall consider appropriate if:

- (A) in relation to sub-paragraphs (i), (ii) and (iii) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to sub-paragraph (iv) of paragraph (b) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
- (C) in relation to 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 Creditor Party, it is not practicable so to do in the circumstances;

- (c) to any person appointed by that Creditor Party or by a person to whom 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 into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrowers and the relevant Creditor Party; and
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Borrowers and/or the Security Parties.

30.3 Disclosure to numbering service providers

- (a) Any Creditor Party may disclose to any national or international numbering service provider appointed by that Creditor Party to provide identification numbering services in respect of this Agreement, the Loan and/or the Borrowers and/or the Security Parties the following information:
 - (i) names of the Borrowers and the Security Parties;
 - (ii) country of domicile of the Borrowers and the Security Parties;
 - (iii) place of incorporation of the Borrowers and the Security Parties;
 - (iv) date of this Agreement;
 - (v) governing law;
 - (vi) the name of the Agent;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amount of the Loan;
 - (ix) amount of Total Commitments;
 - (x) currency of the Loan;
 - (xi) type of facility;
 - (xii) ranking of facility;
 - (xiii) final Repayment Date;
 - (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
 - (xv) such other information agreed between such Creditor Party and the Borrowers,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The parties to this Agreement acknowledge and agree that each identification number assigned to this Agreement, the Loan and/or the Borrowers and/or any Security Party by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) The Borrowers represent that none of the information set out in sub-paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Borrowers and the other Creditor Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Loan and/or the Borrowers and/or the Security Parties; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Loan and/or the Borrowers and/or the Security Parties by such numbering service provider.

30.4 Entire agreement

This Clause 30 (*Confidentiality*) constitutes the entire agreement between the parties to this Agreement in relation to the obligations of the Creditor Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

30.5 Inside information

Each of the Creditor Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Creditor Parties undertakes not to use any Confidential Information for any unlawful purpose.

30.6 Notification of disclosure

Each of the Creditor Parties agrees (to the extent permitted by law and regulation) to inform the Borrowers:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to sub-paragraph (v) of paragraph (b) of Clause 30.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 30.

30.7 Continuing obligations

The obligations in this Clause 30 (*Confidentiality*) are continuing and, in particular, shall survive and remain binding on each Creditor Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Borrowers and the Security Parties under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Creditor Party otherwise ceases to be a Creditor Party.

31 LAW AND JURISDICTION

31.1 English law

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

31.2 Exclusive English jurisdiction

Subject to Clause 31.3 (*Choice of forum for the exclusive benefit of the Creditor Parties*), the courts of England shall have exclusive jurisdiction to settle any Dispute.

31.3 Choice of forum for the exclusive benefit of the Creditor Parties

Clause 31.2 (*Exclusive English jurisdiction*) is for the exclusive benefit of the Creditor Parties, each of which reserves the right:

- (a) to commence proceedings in relation to any Dispute in the courts of any country other than England and which have or claim jurisdiction to that Dispute; and
- (b) to commence such proceedings in the courts of any such country or countries concurrently with or in addition to proceedings in England or without commencing proceedings in England.

No Borrower shall commence any proceedings in any country other than England in relation to a Dispute.

31.4 Process agent

Each Borrower irrevocably appoints Hill Dickinson Services (London) Limited at their office for the time being, presently at The Broadgate Tower 7th Floor, 20 Primrose Street, London, EC2A 2EW, England to act as its agent to receive and accept on its behalf any process or other document relating to any proceedings in the English courts which are connected with a Dispute.

31.5 Creditor Party rights unaffected

Nothing in this Clause 31 (*Law and Jurisdiction*) shall exclude or limit any right which any Creditor Party may have (whether under the law of any country, an international convention or otherwise) with regard to the bringing of proceedings, the service of process, the recognition or enforcement of a judgment or any similar or related matter in any jurisdiction.

31.6 Meaning of “proceedings” and “Dispute”

In this Clause 31 (*Law and Jurisdiction*), “**proceedings**” means proceedings of any kind, including an application for a provisional or protective measure and a “**Dispute**” means any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement).

32 BAIL-IN

32.1 Contractual recognition of bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to a Finance Document, each party hereto acknowledges and accepts that any liability of any party to a Finance Document under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

33 JOINT AND SEVERAL LIABILITY

33.1 General

All liabilities and obligations of the Borrowers under this Agreement shall, whether expressed to be so or not, be several and, if and to the extent consistent with Clause 33.2 (*No impairment of Borrowers' obligations*), joint.

33.2 No impairment of Borrowers' obligations

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

- (a) this Agreement being or later becoming void, unenforceable or illegal as regards any other Borrower;
- (b) any Creditor Party entering into any rescheduling, refinancing or other arrangement of any kind with any other Borrower;
- (c) any Creditor Party releasing any other Borrower or any Security Interest created by a Finance Document; or
- (d) any combination of the foregoing.

33.3 Principal debtors

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

33.4 Subordination

Subject to Clause 33.5 (*Borrowers' required action*), during the Security Period, no Borrower shall:

- (a) claim any amount which may be due to it from any other Borrower whether in respect of a payment made, or matter arising out of, this Agreement or any Finance Document, or any matter unconnected with this Agreement or any Finance Document; or
- (b) take or enforce any form of security from any other Borrower for such an amount, or in any other way seek to have recourse in respect of such an amount against any asset of any other Borrower; or
- (c) set off such an amount against any sum due from it to any other Borrower; or
- (d) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving any other Borrower or other Security Party; or
- (e) exercise or assert any combination of the foregoing.

33.5 Borrowers' required action

If during the Security Period, the Agent, by notice to a Borrower, requires it to take any action referred to in paragraphs (a) to (d) of Clause 33.4 (*Subordination*), in relation to any other Borrower, that Borrower shall take that action as soon as practicable after receiving the Agent's notice.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

BORROWERS

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
EMERY SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
RONDINE MANAGEMENT CORP.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
MANDORA SHIPPING LTD)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
SOLANGE SHIPPING LTD.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
CHILALI CORP.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
PANDORA MARINE INC.)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SIGNED by) /s/ Eleni Georgiou
as attorney-in-fact)
for and on behalf of)
MICAELA SHIPPING CORPORATION)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

LENDERS

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

MANDATED LEAD ARRANGER

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

AGENT

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

SECURITY TRUSTEE

SIGNED by) /s/ Marianna Psarrou
duly authorised)
for and on behalf of)
CRÉDIT AGRICOLE CORPORATE)
AND INVESTMENT BANK)
in the presence of:)

Witness' signature:) /s/ Charalampos Kazantzis
Witness' name:)
Witness' address:)

ADDENDUM No.2
To
MV Navios Felix
Bareboat Charter Party dated 14th February, 2023

This Addendum, is made and entered into this 29 day of June, 2023 by and between Koufonisi Shipping Corporation of the Republic of the Marshall Islands (hereinafter called the "Charterers") and GLORY OCEAN SHIPPING S.A. of the Republic of Panama (as to 99.0% shares) and TEMM MARITIME CO., LTD. of Japan (as to 1.0% shares) (hereinafter called the "Owners"),

WITNESSETH;

WHEREAS, the Charterers and the Owners have entered into a certain bareboat charter party and rider clause dated 14th February, 2023 (hereinafter called the "BBCP") for the bareboat charter of one (1) 180,200 DWT BULK CARRIER named as MV Navios Felix, and

WHEREAS, the Financial Conduct Authority (FCA) responsible for supervising LIBOR has announced on 5th March, 2021 that the publication of USD LIBOR will cease, and 1 month ICE LIBOR will cease to be published on 30th June 2023, and

WHEREAS, due to the upcoming cessation of USD LIBOR publication, the Charterers and the Owners desire to agree to change interest rate of the charter hire of the BBCP from "1 month ICE LIBOR + 2.0%" to "1 month CME TERM SOFR + (2.0%+0.11448%)".

NOW THEREFORE, notwithstanding anything contained in the BBCP, it is mutually agreed and confirmed by the parties hereto that:

1. Clause 35(ii) shall be amended as per following.

35. CHARTER HIRE

Monthly Hire Rate

(ii) Monthly Variable Hire is calculated from the number of the days in any relevant month, and daily variable hire in accordance with the following formula:

Monthly Variable Hire = Daily Variable Hire x the number of the days in the relevant month

Daily Variable Hire = Charter Principal Balance x (2.11448% + one (1) month CME TERM SOFR as applicable for the month in respect of which such Daily Variable Hire is to be calculated) / 360

Applicable one (1) month CME TERM SOFR to be confirmed ten (10) Banking Days prior to hire due date. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least four (4) Banking Days before such due date.

Charter Principal Balance means US\$32,000,000.- less the aggregate Monthly Fixed Hire as has at any relevant time been paid to the Owners for Vessel.

Should the CME TERM SOFR fail to negative interest rate, zero (0) is to be applied as CME TERM SOFR.

2. Effective date

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 6th hire with the interest period of 9th August, 2023 through 9th September, 2023.

3. GOVERNING LAW

This Addendum shall be governed by and construed in accordance with English Law. The arbitration provision of Clause 30 of the BBCP shall apply mutatis mutandis to this Addendum.

4. All other terms and conditions in the said BBCP shall remain unaltered and in full force.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the day and year first above written.

Signature (Owners)

GLORY OCEAN SHIPPING S.A.
(as to 99.0% shares)

/s/ Hiroyuki Funada

By: Hiroyuki Funada
Title: Director/President

Signature (Charterers)

Koufonisi Shipping Corporation

/s/ Georgios Panagakis

By:
Title:

TEMM MARITIME CO., LTD.
(as to 1.0% share)

/s/ Katsuya Mito

By: Katsuya Mito
Title: President

Dated July 3, 2023

ADDENDUM NO. 1 to Bare Boat Charter Party
Between Wealth Line Inc. and Sagittarius Shipping Corporation
Dated 5th December, 2022 (the "BBC")

IT IS THIS DAY MUTUALLY AGREED between **Wealth Line Inc.** as Owners and **Sagittarius Shipping Corporation** as Charterers as follows. Save as hereby supplemented, the BBC remains fully valid and binding.

This ADDENDUM NO. 1 is supplemental to and amends the BBC, and forms an integral part thereof. Unless otherwise defined herein terms and expressions used in this ADDENDUM NO.1 shall have the same meanings as used in the BBC.

1 Notwithstanding Clause 35 (ii) in the BBC, the said loan outstanding for interest portion shall be changed as follows.

((2.30%+0.11448%) + one (1) month CME TERM SOFR as applicable for the month in respect of which such Monthly Variable Hire is to be calculated)

Applicable One (1) month CME TERM SOFR to be confirmed 3 Banking days prior to the end of every month falling immediately the due date for Charter Hire of the calendar month. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least three (3) Banking Days before that due date.

2 All other terms, conditions remain in full force and effect.

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 08 hire with the interest period of 21 July, 2023 through 21 August, 2023.

This ADDENDUM NO. 1 shall be governed by English law as is the Charter Party.

For and on behalf of the Owners:
Wealth Line Inc.

For and on behalf of the Charterers:
Sagittarius Shipping Corporation

/s/ Naoto Seno

/s/ Georgios Panagakis

By :
Title : Director / President

By :
Title :

Dated 14 July, 2023

ADDENDUM NO. 1 to Bare Boat Charter Party
Between SEVEN SHIPPING S.A. and Talia ShiptradeS.A.
Dated 11th October, 2018 (the "BBC")

IT IS THIS DAY MUTUALLY AGREED between **SEVEN SHIPPING S.A.** as Owners and **Talia ShiptradeS.A.** as Charterers as follows. Save as hereby supplemented, the BBC remains fully valid and binding.

This ADDENDUM NO. 1 is supplemental to and amends the BBC, and forms an integral part thereof. Unless otherwise defined herein terms and expressions used in this ADDENDUM NO.1 shall have the same meanings as used in the BBC.

1 Notwithstanding Clause 36 (ii) in the BBC, the said loan outstanding for interest portion shall be changed as follows.

((1.8%+0.11448%) + one (1) month CME TERM SOFR as applicable for the month in respect of which such Monthly Variable Hire is to be calculated)

Applicable One (1) month CME TERM SOFR to be confirmed 3 Banking days prior to the end of every month falling immediately the due date for Charter Hire of the calendar month. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least three (3) Banking Days before that due date.

2 All other terms, conditions remain in full force and effect.

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 39th hire with the interest period of 15 July, 2023 through 15 August, 2023.

This ADDENDUM NO. 1 shall be governed by English law as is the Charter Party.

For and on behalf of the Owners:
SEVEN SHIPPING S.A.

For and on behalf of the Charterers:
Talia ShiptradeS.A.

/s/ Kenso Matsumura

/s/ Georgios Panagakis

By :
Title :

By :
Title :

Dated 4 August, 2023

ADDENDUM NO. 1 to Bare Boat Charter Party
Between MILLION COMETS S.A. and Morganite Shipping Corporation
Dated 28th January, 2022 (the "BBC")

IT IS THIS DAY MUTUALLY AGREED between **MILLION COMETS S.A.** as Owners and **Morganite Shipping Corporation** as Charterers as follows. Save as hereby supplemented, the BBC remains fully valid and binding.

This ADDENDUM NO. 1 is supplemental to and amends the BBC, and forms an integral part thereof. Unless otherwise defined herein terms and expressions used in this ADDENDUM NO.1 shall have the same meanings as used in the BBC.

1 Notwithstanding Clause 36 in the BBC, the said loan outstanding for interest portion shall be changed as follows.

((1.8%+0.11448%) + one (1) month CME TERM SOFR as applicable for the month in respect of which such Monthly Variable Hire is to be calculated)

Applicable One (1) month CME TERM SOFR to be confirmed 5 Banking days prior to the each hire due date. The Owners shall notify the Charterers in writing of the Monthly Variable Hire due on any due date for hire by sending to the Charterers a duly issued invoice for that Monthly Variable Hire and Monthly Fixed Hire at least five (5) Banking Days before that due date.

2 All other terms, conditions remain in full force and effect.

This Addendum shall be effective on and from the date of its execution by both parties, and the interest rate shall be changed from the 06 hire with the interest period of 06 July, 2023 through 06 August, 2023.

This ADDENDUM NO. 1 shall be governed by English law as is the Charter Party.

For and on behalf of the Owners:
MILLION COMETS S.A.

For and on behalf of the Charterers:
Morganite Shipping Corporation

By: /s/ Ryo Sugitani
Ryo Sugitani

By: /s/ Georgios Panagakis

Title: President

Title: