



Registration of a Charge

Company Name: **THAMES TRADER SHIPPING LIMITED**

Company Number: **15001912**



XCEI7O7F

Received for filing in Electronic Format on the: **19/10/2023**

Details of Charge

Date of creation: **28/09/2023**

Charge code: **1500 1912 0002**

Persons entitled: **HAMBURG COMMERCIAL BANK AG AS SECURITY TRUSTEE**

Brief description: **SHIP SUBJECT TO A CHARGE: M.V. "THAMES TRADER" REGISTERED UNDER THE LAWS AND FLAG OF THE REPUBLIC OF LIBERIA WITH OFFICIAL NUMBER 19399 AND IMO NUMBER 9566825.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **KELINA KANTZOU**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 15001912

Charge code: 1500 1912 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th September 2023 and created by THAMES TRADER SHIPPING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th October 2023 .

Given at Companies House, Cardiff on 19th October 2023

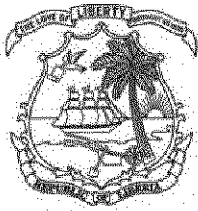
The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



THE REPUBLIC OF LIBERIA
LIBERIA MARITIME AUTHORITY

800 Waterford Way, Suite 350
Miami, Florida 33126
USA
Tel: +1 786 936 3750
E-mail: registrations@liscr.com
Website: www.liscr.com

OFFICE OF THE DEPUTY COMMISSIONER
OF MARITIME AFFAIRS OF THE
REPUBLIC OF LIBERIA

CERTIFICATE OF RECORDED INSTRUMENT

Received for Record on 28 th Day, September Month, 2023 Year at 8 h 8 m 0 s AM,
E.D.S.T.

Recorded in Book PM 75 at PAGE 2172

Vessel Name	Official Number
THAMES TRADER	19399

Given under my hand and seal this
28 th Day of September Month, 2023 Year




Margaret Ansumana
Senior Deputy Commissioner of Maritime Affairs
Republic of Liberia



Dated 28 September 2023

THAMES TRADER SHIPPING LIMITED
as Owner

in favour of

HAMBURG COMMERCIAL BANK AG
as Security Trustee

FIRST PREFERRED LIBERIAN MORTGAGE

relating to
m.v. "THAMES TRADER"

**WATSON FARLEY
&
WILLIAMS**

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THIS FIRST PREFERRED MORTGAGE is made on 28 September 2023

BY

- (1) **THAMES TRADER SHIPPING LIMITED**, a company incorporated in England whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom and registered as a foreign maritime entity in the Republic of Liberia (the "**Owner**")

IN FAVOUR OF

- (2) **HAMBURG COMMERCIAL BANK AG** a company incorporated in the Federal Republic of Germany acting in its capacity as security trustee through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany (the "**Security Trustee**" which expression includes its successors and assigns).

BACKGROUND

- (A) The Owner is the sole owner of the whole of the vessel "THAMES TRADER" registered under the laws and flag of the Republic of Liberia with Official Number 19399 of 43501 gross tons and 27819 net tons.
- (B) By a loan agreement dated 27 September 2023 (the "**Loan Agreement**") and made between (i) the Owner, Dart Trader Shipping Limited and Avon Trader Shipping Limited as joint and several borrowers (together, the "**Borrowers**"), (ii) the banks and financial institutions listed in schedule 1 (*lenders and commitments*) thereto as lenders (together, the "**Lenders**"), (iii) Hamburg Commercial Bank AG as agent (in such capacity, the "**Agent**"), (iv) Hamburg Commercial Bank AG as mandated lead arranger (in such capacity, the "**Mandated Lead Arranger**") and (v) the Security Trustee, it was agreed that the Lenders would make available to the Borrowers a senior secured term loan facility of up to US\$24,000,000 (the "**Loan**") on the terms and conditions therein contained. The form of the Loan Agreement without attachments is annexed to this Mortgage marked "A".
- (C) By an Agency and Trust Deed dated the same date as, and entered into pursuant to, the Loan Agreement, it was agreed that the Security Trustee would hold the Trust Property (as defined therein) (which includes the Ship) on trust for the Lenders. The form of the Agency and Trust Deed is annexed to this Mortgage marked "B".
- (D) It is one of the conditions precedent to the availability of the facility under the Loan Agreement that the Owner executes and delivers this Mortgage in favour of the Security Trustee as security for the Secured Liabilities.
- (E) This Mortgage is one of the Mortgages referred to in the Loan Agreement.
- (F) The Owner has authorised the execution and delivery of this Mortgage under and pursuant to Chapter 3 of Title 21 of the Liberian Code of Laws of 1956 as amended.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Mortgage:

"Loan Agreement" means the loan agreement dated 27 September 2023 referred to in Recital (B) (as the same may from time to time be amended, novated and/or supplemented).

"Secured Liabilities" means all liabilities which the Owner has, at the date of this Mortgage or at any later time or times, under or in connection with any Finance Document or any judgment relating to any Finance Document; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country.

"Ship" means the vessel m.v. "THAMES TRADER" registered in the ownership of the Owner under the laws and flag of the Republic of Liberia under Official Number 19399 and includes its engines, machinery, boats, tackle, outfit, spare gear, fuel, consumable or other stores, belongings and appurtenances whether on board or ashore and whether owned as at the date of this Mortgage or later acquired.

1.2 Defined expressions

Defined expressions in the Loan Agreement shall have the same meanings when used in this Mortgage unless the context otherwise requires or unless otherwise defined in this Mortgage.

1.3 Application of construction and interpretation provisions of Loan Agreement

Clause 1.2 (*construction of certain terms*) of the Loan Agreement applies to this Mortgage as if it were expressly incorporated in it with any necessary modifications.

1.4 Inconsistency between Loan Agreement provisions and this Mortgage

This Mortgage shall be read together with the Loan Agreement, but in case of any conflict between the Loan Agreement and this Mortgage, unless expressly provided to the contrary in this Mortgage, the provisions of the Loan Agreement shall prevail to the extent permitted by Liberian law.

2 COVENANT TO PAY AND PERFORM

2.1 Covenant to pay

The Owner shall duly and punctually pay and discharge the Secured Liabilities in the manner provided for in the Finance Documents to which it is a party.

2.2 Covenant to perform

The Owner covenants with the Security Trustee to observe and perform all its obligations to the Security Trustee and the other Creditor Parties or any of them under the Finance Documents to which it is a party, other than those referred to in Clause 2.1 (*Covenant to pay*).

3 MORTGAGE

3.1 Mortgage

In consideration of the premises and other good and valuable consideration, the Owner grants, conveys, mortgages, pledges, confirms, assigns, transfers and sets over the whole of the Ship to the Security Trustee as a continuing security for the due and punctual payment and

discharge by the Owner of the Secured Liabilities under Clause 2.1 (*Covenant to pay*) and the observation and performance by the Owner of all its obligations under Clause 2.2 (*Covenant to perform*).

3.2 Extent of property mortgaged

This Mortgage shall not cover property other than the Ship as the term "**Vessel**" is used in Sub division 1 of Section 106 of Chapter 3 of Title 21 of the Liberian Code of Laws of 1956 as amended.

3.3 Void provisions

Any provision of this Mortgage construed as waiving the preferred status of this Mortgage shall, to such extent, be void and of no effect.

3.4 Continuing and additional security

- (a) This Mortgage shall remain in force until the end of the Security Period as a continuing security and, in particular:
- (i) the Security Interests created by Clause 3.1 (*Mortgage*) will extend to the ultimate balance of all sums payable by the Owner under the Finance Documents to which it is a party, regardless of any intermediate payment or discharge in whole or in part;
 - (ii) the Security Interests created by Clause 3.1 (*Mortgage*), and the rights of the Security Trustee under this Mortgage, are only capable of being extinguished, limited or otherwise adversely affected by an express and specific term in a document signed by or on behalf of the Security Trustee;
 - (iii) no failure or delay by or on behalf of the Security Trustee to enforce or exercise the Security Interests created by Clause 3.1 (*Mortgage*) or a right of the Security Trustee under this Mortgage, and no act, course of conduct, acquiescence or failure to act (or to prevent the Owner from taking certain action) which is inconsistent with such Security Interests or such a right shall preclude or estop the Security Trustee (either permanently or temporarily) from enforcing or exercising it.
- (b) This Mortgage is in addition to and is not in any way prejudiced by, and shall not prejudice any guarantee or other Security Interests or any other right of recourse now or subsequently held by any Creditor Party or any right of set-off or netting or rights to combine accounts in connection with the Finance Documents.

4 UNDERTAKINGS

4.1 General

The undertakings in this Clause 4 (*Undertakings*) remain in force throughout the Security Period except as the Security Trustee may otherwise permit.

4.2 Insurance and Ship undertakings

The Owner shall comply with the provisions of clause 13 (*insurance*) and clause 14 (*ship covenants*) of the Loan Agreement, all of which are expressly incorporated in this Mortgage with any necessary modifications.

4.3 Perfection of Mortgage

The Owner shall:

- (a) comply with and satisfy all the requirements and formalities established by the Liberian Code of Laws of 1956 as amended and any other pertinent legislation of the Republic of Liberia to perfect this Mortgage as a legal, valid and enforceable first preferred mortgage and maritime lien upon the Ship; and
- (b) promptly provide the Security Trustee from time to time with evidence in such form as the Security Trustee reasonably requires that the Owner is complying with paragraph (a) of this Clause 4.3 (*Perfection of Mortgage*).

4.4 Notice of Mortgage

The Owner shall place and maintain in a conspicuous place in the navigation room and the Master's cabin of the Ship a framed printed notice in plain type in English of such size that the paragraph of reading matter shall cover a space not less than 6 inches wide and 9 inches high reading as follows:

"NOTICE OF MORTGAGE

This Vessel is covered by a First Preferred Mortgage to HAMBURG COMMERCIAL BANK AG acting as security trustee for and on behalf of itself and certain other banks and financial institutions under authority of Title 21 of the Liberian Code of Laws of 1956 as amended. Under the terms of the said Mortgage neither the Owner nor any Charterer nor the Master of this Vessel nor any other person has any right, power or authority to create, incur or permit to be imposed upon this Vessel any lien whatsoever other than for crew's wages and salvage."

4.5 Negative pledge

- (a) The Owner shall not create or permit to subsist any Security Interest over the Ship.
- (b) Paragraph (a) above does not apply to any Permitted Security Interests.
- (c) This Clause 4.5 (*Negative pledge*) is in addition to, and shall not be limited by, any provision of the Loan Agreement.

4.6 Disposals

The Owner shall not transfer, lease or otherwise dispose of the Ship or any part of the Ship, whether by one transaction or a number of transactions, whether related or not.

4.7 Protection of Security Trustee interests

The Owner shall not enter into any transaction, or do anything, which is contrary to, or which may adversely affect, the rights of the Security Trustee under this Mortgage or any Creditor Party's interest in those rights.

5 PROTECTION OF SECURITY

5.1 Security Trustee's right to protect or maintain security

The Security Trustee may, but shall not be obliged to, take any action which it may think fit for the purpose of protecting or maintaining the Security Interests created or intended to be created by this Mortgage or for any similar or related purpose.

5.2 No obligations imposed on Security Trustee

The Owner shall remain liable to perform all obligations connected with the Ship and the Security Trustee shall not, in any circumstances, have or incur any obligation of any kind in connection with the Ship.

5.3 Security Trustee's right to insure, repair etc.

Without limiting the generality of Clause 5.1 (*Security Trustee's right to protect or maintain security*), if the Owner does not comply with Clause 4 (*Undertakings*), the Security Trustee may:

- (a) effect, replace and renew any Insurances;
- (b) arrange for the carrying out of such surveys and/or repairs of the Ship as it deems expedient or necessary; and
- (c) discharge any liabilities charged on the Ship, or otherwise relating to or affecting it, and/or take any measures which the Security Trustee may think expedient or necessary for the purpose of preventing its arrest and securing its release.

5.4 Release of Security

At the end of the Security Period, the Security Trustee shall, at the request and cost of the Owner, discharge this Mortgage.

6 ENFORCEABILITY AND SECURITY TRUSTEE'S POWERS

6.1 Right to enforce security

If an Event of Default occurs and irrespective of whether a notice has been served under clause 19.2 (*actions following an Event of Default*) of the Loan Agreement or a demand made under the Loan Agreement and without the necessity for the Security Trustee to serve any notice or take any other action or for any court order in any jurisdiction to the effect that an Event of Default has occurred or that the Security Interests constituted by this Mortgage have become enforceable:

- (a) the Security Interests constituted by this Mortgage shall immediately become enforceable for all purposes;
- (b) the Security Trustee shall be entitled then or at any later time or times to exercise the powers set out in Clause 6.2 (*Right to take possession, sell etc.*) and in any other Finance Document;
- (c) the Security Trustee shall be entitled then or at any later time or times to exercise the powers possessed by it as mortgagee of the Ship conferred by the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Owner or the Ship; and

- (d) the Security Trustee shall be entitled to exercise all the rights and remedies in foreclosure and otherwise given to Security Trustees by applicable law including the provisions of Chapter 3 of Title 21 of the Liberian Code of Laws of 1956 as amended.

6.2 Right to take possession, sell etc.

If the security constituted by this Deed has become enforceable, the Security Trustee shall be entitled then or at any later time or times:

- (a) to take possession of the Ship whether actually or constructively and/or otherwise to take control of the Ship wherever the Ship may be and cause the Owner or any other person in possession of the Ship forthwith upon demand to surrender the Ship to the Security Trustee without legal process and without the Security Trustee or any other Creditor Party being liable for any losses caused by such actions or to account to the Owner in connection with the same;
- (b) to sell the Ship with or without prior notice to the Owner, and with or without the benefit of any Charter, by public auction or private contract at any time, at any place and upon any terms (including, without limitation, on terms that all or any part or parts of the purchase price be satisfied by shares, loan stock or other securities and/or be left outstanding as a debt, whether secured or unsecured and whether carrying interest or not) which the Security Trustee may think fit, with power for the Security Trustee to purchase the Ship at any such public auction and to set off the purchase price against all or any part of the Secured Liabilities;
- (c) to manage, insure, maintain and repair the Ship and to charter, employ, lay up or in any other manner whatsoever deal with the Ship, upon any terms and for any period which the Security Trustee may think fit, in all respects as if the Security Trustee were the owner of the Ship and without the Security Trustee or any other Creditor Party being responsible for any loss incurred as a result of or in connection with any such action;
- (d) to collect, recover and give good discharge for any moneys or claims arising in relation to the Ship and to permit any brokers through whom collection or recovery is effected to charge the usual brokerage for the same;
- (e) to take over or commence or defend (if necessary using the name of the Owner) any claims or proceedings relating to, or affecting, the Ship which the Security Trustee may think fit and to abandon, release or settle in any way any such claims or proceedings; and
- (f) generally, to enter into any transaction or arrangement of any kind and to do anything in relation to the Ship which the Security Trustee may think fit.

6.3 No liability of Security Trustee

- (a) The Security Trustee shall not be obliged to:
 - (i) check the nature or sufficiency of any payment received by it or him under this Mortgage; or
 - (ii) preserve, exercise or enforce any right forming part of, or relating to, the Ship.

- (b) In addition to, and without limiting, any exclusion or limitation of liability of any Creditor Party under any Finance Document, the Security Trustee shall have no liability:
 - (i) for any loss caused by an exercise of, or failure to exercise, rights under or enforcement of, or failure to enforce any Security Interests created by this Mortgage;
 - (ii) as Security Trustee in possession or otherwise, to account for any income or principal amount which might have been produced or realised from the Ship; or
 - (iii) as Security Trustee in possession or otherwise, for any reduction in the value of the Ship.

6.4 No requirement to commence proceedings

Neither the Security Trustee nor any other Creditor Party will need to commence any proceedings under, or enforce any Security Interests created by the Loan Agreement or any other Finance Document before commencing proceedings under, or enforcing any Security created by, this Mortgage.

6.5 Prior Security

- (a) At any time after the Security Interests created by this Mortgage has become enforceable, the Security Trustee may:
 - (i) redeem any prior Security Interests over all or any part of the Ship;
 - (ii) procure the transfer of that Security Interest to itself; and/or
 - (iii) settle the accounts of any prior mortgagee, chargee or encumbrancer and any accounts so settled will be, in the absence of manifest error, conclusive and binding on the Owner.
- (b) The Owner shall pay to the Security Trustee immediately upon demand the costs and expenses incurred by the Security Trustee in connection with any such redemption, settlement and/or transfer including the payment of any principal or interest.

7 PROTECTION OF THIRD PARTIES

No person dealing with the Security Trustee or any other Creditor Party shall be concerned to enquire:

- (a) whether the rights conferred by or pursuant to any Finance Document are exercisable or have been properly exercised;
- (b) whether any Secured Liabilities remain owing;
- (c) whether any laws, directions, restrictions, consents and/or, regulations affecting the rights of the Security Trustee or any Creditor Party have been obtained or complied with; or
- (d) as to the application of any monies received by the Security Trustee.

8 APPLICATION OF MONEYS

All sums received by the Security Trustee:

- (a) in respect of a sale of the Ship;
- (b) in respect of net profits arising out of the employment of the Ship pursuant to paragraph (c) of Clause 6.2 (*Right to take possession, sell etc.*); or
- (c) in respect of any other transaction or arrangement under Clause 6.1 (*Right to enforce security*) or Clause 6.2 (*Right to take possession, sell etc.*),

shall be held by the Security Trustee upon trust:

- (i) **first**, to pay or discharge any expenses or liabilities (including any interest) which have been paid or incurred by the Security Trustee or any Delegate in or in connection with the exercise of its powers under this Mortgage; and
- (ii) **second**, to pay the balance over to the Agent for application in accordance with clause 17 (*application of receipts*) of the Loan Agreement.

9 FURTHER ASSURANCE

9.1 Owner's obligation to execute further documents etc.

The Owner shall:

- (a) execute and deliver to the Security Trustee (or as it may direct) any assignment, mortgage, power of attorney, proxy or other document, governed by the law of England or such other country as the Security Trustee may, in any particular case, specify; and
- (b) effect any registration or notarisation, give any notice or take any other step,

which the Security Trustee may, by notice to the Owner, specify as being necessary to effect any of the purposes described in Clause 9.2 (*Purposes of further assurances*) or for any similar or related purpose.

9.2 Purposes of further assurances

The purposes referred to in Clause 9.1 (*Owner's obligation to execute further documents etc.*) are:

- (a) validly and effectively to create any Security Interest or right of any kind which the Security Trustee intended should be created by or pursuant to this Mortgage;
- (b) to protect the priority, or increase the effectiveness, in any jurisdiction of any Security Interest which is created, or which the Security Trustee intended should be created, by or pursuant to this Mortgage;
- (c) to enable or assist the Security Trustee to sell or otherwise deal with the Ship, to transfer title to, or grant any interest or right relating to, the Ship or to exercise any power which is referred to in Clauses 6.1 (*Right to enforce security*) or 6.2 (*Right to take possession, sell etc.*); or

- (d) to enable or assist the Security Trustee to enter into any transaction to commence, defend or conduct any proceedings and/or to take any other action relating to the Ship in any country or under the law of any country.

9.3 Terms of further assurances

The Security Trustee may specify the terms of any document to be executed by the Owner under Clause 9.1 (*Owner's obligation to execute further documents etc.*), and those terms may include any covenants, undertakings, powers and provisions which are necessary to protect its, and any other Creditor Party's, interests.

9.4 Obligation to comply with notice

The Owner shall comply with a notice under Clause 9.1 (*Owner's obligation to execute further documents etc.*) by the date specified in the notice.

9.5 Additional corporate action

At the same time as the Owner delivers to the Security Trustee any document executed under Clause 9.1(a) (*Owner's obligation to execute further documents etc.*), the Owner shall also deliver to the Security Trustee a certificate signed by one of the Owner's officers which shall:

- (a) set out the text of a resolution of the Owner's directors specifically authorising the execution of the document specified by the Security Trustee; and
- (b) state that either the resolution was duly passed at a meeting of the directors validly convened and held throughout which a quorum of directors entitled to vote on the resolution was present or that the resolution has been signed by all the directors and is valid under the Owner's articles of incorporation or other constitutional documents.

10 POWER OF ATTORNEY

10.1 Appointment

The Owner, by way of security for the performance of its obligations under this Mortgage, irrevocably appoints (with full power of substitution) the Security Trustee as its attorney-in-fact:

- (a) to do all acts and execute or sign all documents which the Owner itself can do and execute in relation to the Ship including, without limitation, all acts and documents necessary to sell the Ship by such means and on such terms as the Security Trustee may determine;
- (b) to do all acts and things and execute or sign all documents which the Owner is obliged to do, execute or sign under this Mortgage and which it has failed so to do, execute or sign immediately upon the Security Trustee's first written demand,

provided that the power of attorney constituted by this Clause 10.1 (*Appointment*) shall be exercisable only upon the occurrence of an Event of Default which is continuing.

10.2 General power of attorney

The power of attorney constituted by Clause 10.1 (*Appointment*) shall be a general power of attorney.

10.3 Ratification of actions of attorney

The Owner ratifies and confirms, and agrees to ratify and confirm, any act, deed or document which the Security Trustee (or any delegate or substitute) does or executes pursuant to its terms.

10.4 Conclusiveness of exercise

The exercise of the power of attorney constituted by Clause 10.1 (*Appointment*) shall not put any person dealing with the Security Trustee (or any delegate or substitute) on enquiry whether, by its terms, the power of attorney is exercisable and the exercise by the Security Trustee (or any delegate or substitute) of its powers shall, as between the Security Trustee (or any delegate or substitute) and any third party, be conclusive evidence of the Security Trustee's right (or the right of any delegate or substitute) to exercise the same.

10.1 Delegation

The Security Trustee may delegate to any person or persons all or any of the powers and discretions conferred on the Security Trustee by Clause 10 (*Power of Attorney*) and may do so on terms authorising successive sub-delegations.

10.2 Liability

The Security Trustee shall not be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

10.3 Duration

The power of attorney constituted by Clause 10.1 (*Appointment*) shall be granted for the duration of the Security Period.

11 INCORPORATION OF LOAN AGREEMENT PROVISIONS

11.1 Incorporation of specific provisions

The following provisions of the Loan Agreement apply to this Mortgage as if they were expressly incorporated in this Mortgage with any necessary modifications:

clause 22 (no set-off or tax deduction);

clause 27 (variations and waivers);

clause 28 (notices);

clause 30 (supplemental); and

clause 32 (*bail-in*).

11.2 Incorporation of general provisions

Clause 11.1 (*Incorporation of specific provisions*) is without prejudice to the application to this Mortgage of any provision of the Loan Agreement which, by its terms, applies or relates to the Finance Documents generally or this Mortgage specifically.

12 TOTAL AMOUNT

For the purpose of recording this Mortgage as required by Chapter 3 of Title 21 of the Liberian Code of Laws of 1956 as amended, the total amount of the direct and contingent obligations secured by this Mortgage is US\$24,000,000 together with interest, fees, commissions and performance of mortgage covenants.

13 SUPPLEMENTAL

13.1 No restriction on other rights

Nothing in this Mortgage shall be taken to exclude or restrict any power, right or remedy which the Security Trustee or any other Creditor Party may at any time have under:

- (a) any other Finance Document; or
- (b) the law of any country or territory the courts of which have or claim any jurisdiction in respect of the Owner or the Ship.

13.2 Exercise of other rights

The Security Trustee may exercise any right under this Mortgage before it or any other Creditor Party has exercised any right referred to in paragraphs (a) or (b) of Clause 13.1 (*No restriction on other rights*).

13.3 Settlement or discharge conditional

Any settlement or discharge under this Mortgage between the Security Trustee and the Owner shall be conditional upon no security or payment to the Security Trustee or any other Creditor Party by the Owner or any other person being set aside, adjusted or ordered to be repaid, whether under any insolvency law or otherwise.

14 CHANGES TO THE PARTIES

14.1 Owner

The Owner may not assign any of its rights or transfer any of its rights or obligations under this Deed.

14.2 Security Trustee

The Security Trustee may:

- (a) assign any of its rights; or
 - (b) transfer any of its rights or obligations,
- under this Mortgage in accordance with the provisions of the Loan Agreement.

15 GOVERNING LAW

This Mortgage is governed by Liberian law.

16 ENFORCEMENT

16.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Mortgage including a dispute regarding the existence, validity or termination of this Mortgage (a "Dispute").
- (b) The Owner accepts that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary.
- (c) To the extent allowed by law, this Clause 16.1 (*Jurisdiction*) is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction (whether under the law of any country, an international convention or otherwise). To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

16.2 Action against Ship

Recognising the Security Trustee's right to enforce its security against the Ship, the Parties agree that nothing in Clause 16.1 (*Jurisdiction*) shall prevent or restrict the Security Trustee's rights to arrest and take in rem action against the Ship in any jurisdiction where the Ship shall be found lying or is expected to call and to commence in personam proceedings against the Owner in that jurisdiction in support of in rem proceedings, as may be permitted under local law in that jurisdiction. For the purpose of any action which the Security Trustee may bring before the courts of that jurisdiction or other judicial authority and for the purpose of any action which the Security Trustee may bring against the Ship, any writ, notice, judgment or other legal process or documents may (without prejudice to any other method of service under applicable law) be served upon the Master of the Ship (or upon anyone acting as the Master) and such service shall be deemed good service on the Owner for all purposes.

This Mortgage has been executed by the duly authorised Attorney-in-Fact of the Owner on the date stated at the beginning of this Mortgage.

THAMES TRADER SHIPPING LIMITED


Name: MAEK KETHISOJARAN
Title: Attorney-in-Fact

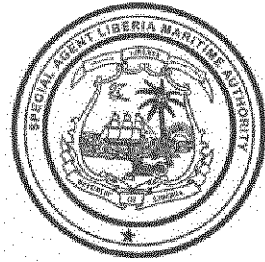
CERTIFICATION

On this 28th day of September, 2023, I hereby certify that this document is signed by Mark Kethisouaran.

The signature is certified by me based on the signature deposited in the Deputy Commissioner's Office register of signatories.



Sofia Tsortanidis
Special Agent
Liberia Maritime Authority



Dated September 2023

**THAMES TRADER SHIPPING LIMITED
DART TRADER SHIPPING LIMITED
AVON TRADER SHIPPING LIMITED**
as joint and several Borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

HAMBURG COMMERCIAL BANK AG
as Agent, Mandated Lead Arranger and Security Trustee

LOAN AGREEMENT

relating to
a senior secured post-delivery term loan facility of up to US\$24,000,000
to refinance m.vs. "THAMES TRADER" (ex "SWEET MELISSA"),
"DART TRADER" (ex "SWEET IRINA") and "AVON TRADER" (ex "SWEET VENUS")

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THIS AGREEMENT is made on September 2023

PARTIES

- (1) **THAMES TRADER SHIPPING LIMITED**, a company incorporated in England with company number 15001912 whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom as borrower ("**Borrower A**")
- (2) **DART TRADER SHIPPING LIMITED**, a company incorporated in England with company number 15001747 whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom as borrower ("**Borrower B**")
- (3) **AVON TRADER SHIPPING LIMITED**, a company incorporated in England with company number 15001806 whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom as borrower ("**Borrower C**")
- (4) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1 (*Lenders and Commitments*), as **Lenders**;
- (5) **HAMBURG COMMERCIAL BANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Agent**;
- (6) **HAMBURG COMMERCIAL BANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Mandated Lead Arranger**; and
- (7) **HAMBURG COMMERCIAL BANK AG** acting through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, as **Security Trustee**.

BACKGROUND

The Lenders have agreed to make available to the Borrowers a secured post-delivery term loan facility in an aggregate amount of up to US\$24,000,000 in three advances as follows:

- (A) an advance in an amount of up to the lesser of (i) US\$7,825,000 and (ii) 55 per cent. of the Initial Value of Ship A to refinance part of the acquisition cost of Ship A;
- (B) an advance in an amount of up to the lesser of (i) US\$7,825,000 and (ii) 55 per cent. of the Initial Value of Ship B to refinance part of the acquisition cost of Ship B; and
- (C) an advance in an amount of up to the lesser of (i) US\$8,350,000 and (ii) 55 per cent. of the Initial Value of Ship C to refinance part of the acquisition cost of Ship C.

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 Definitions

Subject to Clause 1.5 (*General Interpretation*), in this Agreement:

"Account" means each of the Earnings Accounts, the Liquidity Account, the Dry-Docking Reserve Account and the Retention Account and, in the plural, means all of them;

"Account Bank" means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, 20095 Hamburg, Germany, or any successor;

"Account Pledge" means, in relation to each Account, a pledge agreement creating security in respect of that Account in the Agreed Form and, in the plural, means all of them;

"Additional Business Day" means any day specified as such in the Benchmark Terms.

"Additional Minimum Liquidity" has the meaning given in Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*).

"Advance" means each of Advance A, Advance B and Advance C and, in the plural, means all of them;

"Advance A" means the principal amount of the borrowing by the Borrowers under this Agreement in respect of Ship A or, as the context may require, the principal amount outstanding of such Advance in respect of that Ship under this Agreement;

"Advance B" means the principal amount of the borrowing by the Borrowers under this Agreement in respect of Ship B or, as the context may require, the principal amount outstanding of such Advance in respect of that Ship under this Agreement;

"Advance C" means the principal amount of the borrowing by the Borrowers under this Agreement in respect of Ship C or, as the context may require, the principal amount outstanding of such Advance in respect of that Ship under this Agreement;

"Agency and Trust Deed" means the agency and trust agreement executed or to be executed between the Borrowers and the Creditor Parties in the Agreed Form;

"Agent" means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor of it appointed under clause 5 of the Agency and Trust Deed;

"Agreed Form" means in relation to any document, that document in the form approved in writing by the Agent (acting on the instructions of the Majority Lenders) or as otherwise approved in accordance with any other approval procedure specified in any relevant provisions of any Finance Document;

"Annex VI" means Annex VI of the Protocol of 1997 to amend the International Convention for the Prevention of Pollution from Ships 1973 (Marpol), as modified by the Protocol of 1978 relating thereto;

"Approved Broker" means each of Arrow Valuations Ltd, Barry Rogliano Salles, H. Clarkson & Co. Ltd., Howe Robinson Partners and SSY Valuation Services Ltd (or any affiliate of such person through which valuations are commonly issued) and, in the plural, means all of them;

"Approved Commercial Manager" means Lomar Shipping, or any other company which the Agent (acting on the instructions of the Majority Lenders) may approve from time to time as the commercial manager of a Ship;

"Approved Flag" means, in relation to a Ship, the Liberian flag or such other flag as the Agent may approve (in its sole and absolute discretion) 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, Liberia or any other country in which the Agent may approve that that Ship is or, as the case may be, shall be registered;

"Approved Manager" means the Approved Commercial Manager or the Approved Technical Manager;

"Approved Technical Manager" means Lomar Shipping, or any other company which the Agent (acting on the instructions of the Majority Lenders) may approve from time to time as the technical manager of a Ship;

"Approved Manager's Undertaking" means, in relation to a Ship, a letter of undertaking from each relevant Approved Manager including (*inter alia*) an assignment (where applicable) of that Approved Manager's rights, title and interest in the Insurances of that Ship executed or to be executed by that Approved Manager in favour of the Security Trustee in the Agreed Form agreeing certain matters in relation to that Approved Manager serving as the commercial and/or technical manager (as applicable) of that Ship and subordinating its rights against that Ship and the Borrower which is the owner thereof to the rights of the Creditor Parties under the Finance Documents 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;

"Assignable Charter" means, in relation to a Ship, any time charterparty consecutive voyage charter or contract of affreightment in respect of such Ship having a duration (or capable of having or exceeding a duration) of 12 months or more and any guarantee of the obligations of the charterer under such charter or any bareboat charter in respect of that Ship and any guarantee of the obligations of the charterer under such bareboat charter, entered or to be entered into by the Borrower which is the owner thereof and a charterer or, as the context may require, bareboat charterer and, in the plural, means all of them;

"Availability Period" means the period commencing on the date of this Agreement and ending on:

- (a) 29th September 2023 (or such later date as the Agent may, with the authorisation 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, in relation to:

- (a) 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) 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) the United Kingdom, the UK Bail-In Legislation.

"Balloon Instalment" has the meaning given in Clause 8.1 (*Amount of Instalments*);

"Basel III" means, together:

- (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";

"Benchmark Terms" means the terms set out in Schedule 8 (*Benchmark Terms*) or in any Benchmark Terms Supplement.

"Benchmark Terms 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 Lenders);
- (b) specifies the relevant terms which are expressed in this Agreement to be determined by reference to the Benchmark Terms; and
- (c) has been made available to the Borrowers and each Creditor Party.

"Borrower" means each of Borrower A, Borrower B and Borrower C, and, in the plural, means all of them;

"Break Costs" means the amount specified as such in the Benchmark Terms;

"Business Day" means:

- (a) a day (other than a Saturday or Sunday) on which banks are open for general business:
 - (i) in New York regarding the fixing of any interest rate which is required to be determined under this Agreement or any Finance Document;
 - (ii) in Hamburg and New York in respect of any payment which is required to be made under a Finance Document; and
 - (iii) in Hamburg and in Athens and London (being the place in which the Borrowers have their principal place of business) regarding any other action to be taken under this Agreement or any other Finance Document; and
- (b) in relation to:
 - (i) any date for payment or purchase of dollars; or
 - (ii) the determination of the first day or the last day of an Interest Period or otherwise in relation to the determination of the length of or rate for an Interest Period,

an Additional Business Day.

"Central Bank Rate" has the meaning given to that term in the Benchmark Terms.

"Central Bank Rate Adjustment" has the meaning given to that term in the Benchmark Terms.

"Central Bank Rate Spread" has the meaning given to that term in the Benchmark Terms.

"Change of Control" means, in relation to a Borrower or the Shareholder, a change in:

- (a) the ultimate beneficial ownership of any of the shares in that Borrower or the Shareholder from that disclosed by the Borrowers to the Agent prior to the date of this Agreement; or
- (b) the ultimate control of the voting rights attaching to any of those shares; or
- (c) the legal ownership of any of those shares from that disclosed by the Borrowers to the Agent prior to the date of this Agreement;

paragraphs (a) and (b) above will apply unless such change relates to changes in the investors in, or in funds managed by, EnTrust Global Partners Offshore LP or its affiliates;

"Charterparty Assignment" means, in relation to a Ship, an assignment of the rights of the Borrower who is the owner of that Ship under any Assignable Charter relative thereto and any guarantee of such Assignable Charter executed or to be executed by that Borrower in favour of the Security Trustee in the Agreed Form and, in the plural, means all of them;

"Code" means the US 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);

"**Compliance Certificate**" means a certificate in the form set out in Schedule 7 (*Form of Compliance Certificate*) (or in any other form which the Agent approves or requires) to be provided at the times and in the manner set out in Clause 11.21 (*Compliance Certificate*);

"**Compounded Reference Rate**" means in relation to any RFR Banking Day during the Interest Period of the Loan or any part of the Loan, the percentage rate per annum which is the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day.

"**Compounding Methodology Supplement**" means, in relation to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate, a document which:

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

"**Contractual Currency**" has the meaning given in Clause 21.6 (*Currency Indemnity*);

"**Contribution**" means, in relation to a Lender, the part of the Loan which is owing to that Lender;

"**Creditor Party**" means the Agent, the Security Trustee, the Mandated Lead Arranger or any Lender, whether as at the date of this Agreement or at any later time and, in the plural, means all of them;

"**CTA**" means the UK Corporation Tax Act 2009.

"**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 10 (*Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement.

"**Daily Non-Cumulative Compounded RFR Rate**" means, in relation to any RFR Banking Day during an Interest Period for the Loan or any part of the Loan, the percentage rate per annum determined by the Agent (or by any other Creditor Party which agrees to determine that rate in place of the Agent) in accordance with the methodology set out in Schedule 9 (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement;

"**Daily Rate**" means the rate specified as such in the Benchmark Terms;

"**Debt Service**" has the meaning given to it Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*).

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Loan (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties or, if applicable, any Security Party; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party or, if applicable, any Security Party preventing that, or any other, Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties or, if applicable, any Security Party in accordance with the terms of the Finance Documents,

"Distribution" has the meaning given to it in Clause 12.3(b) (*Negative undertakings*);

"Drawdown Date" means, in respect of each Advance, the date requested by the Borrowers for that Advance to be borrowed, or (as the context requires) the date on which that Advance is actually borrowed;

"Dry-Docking Reserve Account" means an account in the joint name of the Borrowers with the Account Bank designated "[REDACTED]", 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 Dry Docking Reserve Account for the purposes of this Agreement;

"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) except to the extent that they fall within paragraph (b);
 - (i) all freight, hire and passage moneys;
 - (ii) compensation payable to that Borrower or the Security Trustee in the event of requisition of a Ship for hire;
 - (iii) remuneration for salvage and towage services;

- (iv) demurrage and detention moneys;
 - (v) damages for breach (or payments for variation or termination) of any charterparty or other contract for the employment of that Ship; and
 - (vi) all moneys which are at any time payable under any Insurances in respect of loss of hire; and
- (b) if and whenever that Ship is employed on terms whereby any moneys falling within paragraphs (a)(i) to (vi) are pooled or shared with any other person, that proportion of the net receipts of the relevant pooling or sharing arrangement which is attributable to that Ship;

"Earnings Account" means, in relation to a Ship, an account in the name of the Borrower owning that Ship with the Account Bank designated "[*name of relevant Borrower*]" - Earnings Account", or any other account (with that or another office of the Account Bank) which replaces such account and is designated by the Agent as that Earnings Account for the purposes of this Agreement;

"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 each 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 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, regulation, convention and agreement 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*);

"FATCA" means:

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

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA;

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction;

"Final Repayment Date" means the date falling on the earlier of (i) the date falling on the fourth anniversary of the first Drawdown Date to occur under this Agreement and (ii) 29 September 2027;

"Finance Documents" means together:

- (a) this Agreement;
- (b) the Agency and Trust Deed;
- (c) the Account Pledges;
- (d) any Subordination Agreement;
- (e) any Subordinated Debt Security;
- (f) the Mortgages;
- (g) the General Assignments;
- (h) any Charterparty Assignments;

- (i) any Approved Manager's Undertakings;
- (j) any Compounding Methodology Supplement;
- (k) any Benchmark Terms Supplement; and
- (l) any other document (whether creating a Security Interest or not) which is executed at any time by a Borrower, 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 and, in the singular, means any of them;

"Financial Indebtedness" means, in relation to a person (the "debtor"), any actual or contingent liability of the debtor:

- (a) for principal, interest or any other sum payable in respect of any moneys borrowed or raised by the debtor;
- (b) under any loan stock, bond, note or other security issued by the debtor;
- (c) under any acceptance credit, guarantee or letter of credit facility made available to the debtor;
- (d) under a financial lease, a deferred purchase consideration arrangement (in each case, other than in respect of assets or services obtained on normal commercial terms in the ordinary course of business) or any other agreement having the commercial effect of a borrowing or raising of money by the debtor;
- (e) under any foreign exchange transaction, any interest or currency swap, exchange 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;
- (f) under receivables sold or discounted (other than any receivables to the extent that they are sold on a non-recourse basis); or
- (g) under a guarantee, indemnity or similar obligation entered into by the debtor in respect of a liability of another person which would fall within (a) to (f) if the references to the debtor referred to the other person;

"Financial Year" means, in relation to each of the Borrowers, each period of one year commencing on 1 January in respect of which its individual or, as the case may be, consolidated accounts are or ought to be prepared;

"Funding Rate" means any individual rate notified by a Lender to the Agent pursuant to subparagraph (ii) of paragraph (a) of Clause 5.6 (*Cost of funds*);

"General Assignment" means, in relation to a Ship, a general assignment of (*inter alia*) the Earnings, the Insurances and any Requisition Compensation relative to that Ship in the Agreed Form and, in the plural, means any of them;

"IACS" means the International Association of Classification Societies;

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

"Initial Value" means, in relation to each Ship, the Market Value thereof at the Drawdown Date calculated in accordance with Clause 15.3 (*Valuation of Ships*);

"Instalment" has the meaning given in Clause 8.1 (*Amount of Instalments*);

"Insurances" means, in relation to a Ship:

- (a) all policies and contracts of insurance and reinsurance, policies or contracts, including entries of that Ship in any protection and indemnity or war risks association, effected in respect of that Ship, its Earnings or otherwise in relation to it whether before, on or after the date of this Agreement; and
- (b) all rights (including, without limitation, any and all rights or claims which the Borrower owning that Ship may have under or in connection with any cut-through clause relative to any reinsurance contract relating to the aforesaid policies or contracts of insurance) 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 each period determined in accordance with Clause 6 (*Interest Periods*) or selected in accordance with paragraph (b) of Clause 7.3 (*Calculation of default rate of interest*);

"Inventory of Hazardous Material" means, in relation to a Ship, the inventory of any material or substance which is liable to create hazards to human health and/or the environment issued by that Ship's classification society (prepared in accordance with the requirements of the Hong Kong Convention and/or the EU Ship Recycling Regulation) which includes a list of any and all materials known to be potentially hazardous utilised in the construction of that Ship along with their respective location and approximate quantities, also referred to as List of Hazardous Materials.

"ISM Code" means the International Safety Management Code (including the guidelines on its implementation), adopted by the International Maritime Organisation as the same may be amended or supplemented from time to time (and the terms **"safety management system"**, **"Safety Management Certificate"** and **"Document of Compliance"** have the same meanings as are given to them in the ISM Code);

"ISPS Code" means the International Ship and Port Facility Security Code as adopted by the International Maritime Organisation, as the same may be amended or supplemented from time to time;

"ISSC" means a valid and current International Ship Security Certificate issued under the ISPS Code;

"Legal Reservations" means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinion delivered to the Agent as a condition precedent.

"Lender" means, subject to Clause 26.6 (*Lender re-organisation*), a bank or financial institution listed in Schedule 1 (*Lenders and Commitments*) and acting through its branch indicated in Schedule 1 (*Lenders and Commitments*) (or through another branch notified to the Agent under Clause 26.15 (*Changing of Lending Office*)) or its transferee, successor or assign;

"Lending Office" means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Creditor Party, the office in the jurisdiction in which it is resident for tax purposes;

"Liquidity Account" means an account in the joint names of the Borrowers with the Account Bank designated "[REDACTED]", or any other account (with that or another office of the Account Bank) which replaces such account and is designated by the Agent as the Liquidity Account for the purposes of this Agreement;

"LMA" means the Loan Market Association or any successor organisation.

"Loan" means the loan to be made available under this Agreement or the aggregate principal amount outstanding for the time being of the borrowings under this Agreement and a **"part of the Loan"** means an Advance or any other part of the Loan as the context may require;

"Lomar Shipping" means Lomar Shipping Limited, a company incorporated in England with company number 01274037 whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom;

"Lookback Period" means the number of days specified as such in the Benchmark Terms;

"LSW 1189" means the London Standard Wording for marine insurances which incorporates the German Direct Mortgage Clause;

"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 \$750,000 or the equivalent in any other currency;

"Majority Lenders" means:

- (a) before an Advance is made, Lenders whose Commitments total $66\frac{2}{3}$ per cent. of the Total Commitments; and
- (b) after an Advance is made, Lenders whose Contributions total $66\frac{2}{3}$ per cent. of the Loan;

"Mandated Lead Arranger" means Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, or any successor;

"Management Agreement" means, in respect of a Ship, the agreement between the relevant Borrower and the relevant Approved Manager in relation to the commercial and/or technical management of that Ship, in a form approved by the Agent;

"Margin" means 2.90 per cent. per annum;

"Market Disruption Credit Adjustment Spread" means any rate which is specified as such in the Benchmark Terms.

"Market Disruption Rate" means the rate specified as such in the Benchmark Terms.

"Market Value" means, in relation to each Ship, the market value thereof determined in accordance with Clause 15.3 (*Valuation of Ships*);

"Material Adverse Change" means any event or series of events which, in the opinion of the Majority Lenders, is likely to have a Material Adverse Effect;

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, property, assets, liabilities, operations or condition (financial or otherwise) of a Borrower and/or any Security Party taken as a whole;
- (b) the ability of a Borrower and/or any Security Party to (i) comply with or perform any of its obligations or (ii) discharge any of its liabilities, under any Finance Document as they fall due; or
- (c) the validity, legality or enforceability of any Finance Document;

"Maximum Advance Amount" means:

- (a) in respect of Advance A, an amount up to the lesser of (i) \$7,825,000 and (ii) 55 per cent. of the Initial Value of Ship A;
- (b) in respect of Advance B, an amount up to the lesser of (i) \$7,825,000 and (ii) 55 per cent. of the Initial Value of Ship B; and
- (c) in respect of Advance C, an amount up to the lesser of (i) \$8,350,000 and (ii) 55 per cent. of the Initial Value of Ship C.

"Minimum Liquidity Amount" has the meaning given in Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*);

"Mortgage" means, in relation to each Ship, the first preferred or, as the case may be, priority ship mortgage on that Ship in the Agreed Form and, in the plural, means any of them;

"Mortgaged Ship" means a Ship which is subject to a Mortgage at the relevant time and, in the plural, means any of them;

"Notifying Lender" has the meaning given in Clause 23.1 (*Illegality*) or Clause 24.1 (*Increased Costs*) as the context requires;

"Original Borrowers" means Borrower A, Borrower B and Borrower C;

"Participating Member State" means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union;

"Party" means a party to this Agreement;

"Payment Currency" has the meaning given in Clause 21.6 (*Currency indemnity*);

"Permitted Security Interests" means:

- (a) Security Interests created by the Finance Documents;
- (b) liens for unpaid master's and crew's wages in accordance with usual maritime practice;
- (c) liens for salvage;
- (d) liens arising by operation of law for not more than one month's prepaid hire under any charter in relation to a Ship not prohibited by this Agreement;
- (e) liens for master's disbursements incurred in the ordinary course of trading and any other lien arising by operation of law or otherwise in the ordinary course of the operation, repair or maintenance of a Ship, provided such liens do not secure amounts more than 30 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 Clause 14.13(d) (*Restrictions on chartering, appointment of managers etc.*);
- (f) any Security Interest created in favour of a plaintiff or defendant in any proceedings or arbitration as security for costs and expenses while a Borrower is actively prosecuting or defending such proceedings or arbitration in good faith; and
- (g) Security Interests arising by operation of law in respect of taxes which are not overdue for payment or in respect of taxes being contested in good faith by appropriate steps and in respect of which appropriate reserves have been made.

"Pertinent Document" means:

- (a) any Finance Document;

- (b) any policy or contract of insurance contemplated by or referred to in Clause 13 (*Insurance*) or any other provision of this Agreement or another Finance Document;
- (c) any other document contemplated by or referred to in any Finance Document; and
- (d) any document which has been or is at any time sent by or to a Servicing Bank in contemplation of or in connection with any Finance Document or any policy, contract or document falling within paragraphs (b) or (c);

"Pertinent Jurisdiction" in relation to a company, means:

- (a) England and Wales;
- (b) the country under the laws of which the company is incorporated or formed;
- (c) a country in which the company has the centre of its main interests or 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 branch or 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, whether as a main or territorial or ancillary proceedings, or which would have such jurisdiction if their assistance were requested by the courts of a country referred to in paragraphs (b) or (c);

"Pertinent Matter" means:

- (a) any transaction or matter contemplated by, arising out of, or in connection with a Pertinent Document; or
- (b) any statement relating to a Pertinent Document or to a transaction or matter falling within paragraph (a),

and covers any such transaction, matter or statement, whether entered into, arising or made at any time before the signing of this Agreement or on or at any time after that signing;

"Potential Event of Default" means an event or circumstance which with the giving of any notice, the lapse of time, a determination of the Majority Lenders and/or the satisfaction of any other condition, would constitute an Event of Default;

"Prepayment Date" has the meaning given in Clause 15.2 (*Prepayment; provision of additional security*);

"Qualifying Lender" has the meaning given to it in Clause 22.1 (*Definitions*);

"Relevant Market" means the market specified as such in the Benchmark Terms;

"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.

"Relevant Jurisdiction" means, in relation to a Borrower:

- (a) the jurisdiction in which it is incorporated;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Security Interest to be created by it is situated; and
- (c) any jurisdiction where it conducts its business;

"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*);

"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 paragraph (ii) above;
- (b) in the opinion of the Lenders, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the RFR; or
- (c) in the reasonable opinion of the Lenders, an appropriate successor or alternative to the RFR.

"Reporting Day" means the day specified as such in the Benchmark Terms;

"Reporting Time" means the relevant time (if any) specified as such in the Benchmark Terms;

"Requisition Compensation" includes all compensation or other moneys payable by reason of any act or event such as is referred to in paragraph (b) of the definition of **"Total Loss"**;

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

"Restricted Party" means a person that is:

- (a) listed on, or owned or controlled by a person listed on any Sanctions List;
- (b) located in, organised under the laws of, or owned or controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory which is a

subject of country-wide or territory-wide Sanctions (any such country or territory, a "Sanctioned Country"); or

(c) otherwise a subject of Sanctions.

"Retention Account" means an account in the joint names of the Borrowers with the Account Bank designated " [REDACTED] ", 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 Benchmark Terms.

"RFR Banking Day" means any day specified as such in the Benchmark Terms.

"Sanctions" means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by:

- (a) the Security Council of the United Nations;
- (b) the United States;
- (c) the United Kingdom;
- (d) the European Union;
- (e) any member state of the European Union;
- (f) any country to which any Security Party or the Borrower or any affiliate of any of them is bound; or
- (g) the governments and official institutions or agencies of any of the foregoing, including without limitation, the Office of Foreign Assets Control of the US Department of Treasury ("OFAC"), the United States Department of State, and Her Majesty's Treasury ("HMT")

((a) to (g) together "Sanctions Authorities" and each a "Sanctions Authority").

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the "Consolidated List of Financial Sanctions Targets and Investment Ban List" maintained by HMT, or any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time.

"Secured Liabilities" means all liabilities which the Borrowers, the Security Parties or any of them have, at the date of this Agreement or at any later time or times, under or in connection with any Finance Document or any judgment relating to any Finance Document; and for this purpose, there shall be disregarded any total or partial discharge of these liabilities, or variation of their terms, which is effected by, or in connection with, any bankruptcy, liquidation, arrangement or other procedure under the insolvency laws of any country;

"Security Cover Ratio" means, at any relevant time, the aggregate of (i) the aggregate Market Value of the Mortgaged Ships and (ii) the net realisable value of any additional security

provided at that time under Clause 15 (*Security Cover*), at that time 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;
- (b) the rights of a plaintiff under an action *in rem*; and
- (c) any arrangement entered into by a person (A) the effect of which is to place another person (B) in a position which is similar, in economic terms, to the position in which B would have been had he held a security interest over an asset of A; but paragraph (c) does not apply to a right of set off or combination of accounts conferred by the standard terms of business of a bank or financial institution;

"Security Party" means, an Approved Manager 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) neither a Borrower nor any Security Party has any future or contingent liability under Clauses 20 (*Fees and Expenses*), 21 (*Indemnities*) or 22 (*No Set-Off or Tax Deduction*) or any other provision of this Agreement or another Finance Document; and
- (d) the Agent, the Mandated Lead Arranger, the Security Trustee and the Majority 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 Hamburg Commercial Bank AG, acting in such capacity through its office at Gerhart-Hauptmann-Platz 50, D-20095, Hamburg, Germany, or any successor of it appointed under clause 5 of the Agency and Trust Deed;

"Servicing Bank" means the Agent or the Security Trustee;

"Shareholder" means Cerulean Shipholdings Limited, a company incorporated in England with company number 14997516 whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom;

"Ship" means each of Ship A, Ship B and Ship C, in the plural, means any of them;

"Ship A" means the Kamsarmax bulk carrier vessel of approx. 79,445 deadweight tonnage, built in 2011 at Jinhai Heavy Industry Co., Ltd, China, registered in the ownership of Borrower A under the Liberian flag with IMO Number 9566825 and with the name "THAMES TRADER" (ex "SWEET MELISSA");

"Ship B" means the Kamsarmax bulk carrier vessel of approx. 79,467 deadweight tonnage, built in 2011 at Jinhai Heavy Industry Co., Ltd, China, registered in the ownership of Borrower B under the Liberian flag with IMO Number 9566813 and with the name "DART TRADER" (ex "SWEET IRINA");

"Ship C" means the Kamsarmax bulk carrier vessel of approx. 79,452 deadweight tonnage, built in 2012 at Jinhai Heavy Industry Co., Ltd, China, registered in the ownership of Borrower C under the Liberian flag with IMO Number 9566849 and with the name "AVON TRADER" (ex "SWEET VENUS");

"Specified Time" means 11.00 a.m. London time;

"Statement of Compliance" means a Statement of Compliance related to fuel oil consumption pursuant to regulations 6.6 and 6.7 of Annex VI;

"Subordinated Creditor" means a Borrower, a Security Party or any other person who becomes a Subordinated Creditor in accordance with this Agreement;

"Subordinated Debt" in relation to a Subordinated Creditor, has the meaning given to it in the Subordination Agreement entered into by that Subordinated Creditor;

"Subordinated Debt Security" means a document creating a Security Interest in relation to any Subordinated Debt in the Agreed Form;

"Subordination Agreement" means a subordination agreement entered into or to be entered into by a Subordinated Creditor, a Borrower, a Security Party and the Security Trustee in the Agreed Form;

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

"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 that Ship, whether for full or part 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 unless it is within one month from the date of such occurrence 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 arrest, capture, seizure, confiscation or detention of that Ship (including any hijacking or theft) unless it is within one month redelivered to the full control of the Borrower owning that Ship;

"Total Loss Date" means, in relation to a Ship:

- (a) in the case of an actual loss of that Ship, the date on which it occurred or, if that is unknown, the date when that Ship was last heard of;
- (b) in the case of a constructive, compromised, agreed or arranged total loss of that Ship, the earlier of:
 - (i) the date on which a notice of abandonment is given 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 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 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);

"Underlying Documents" means any Assignable Charters and any Management Agreements, in the singular, means any of them;

"US" means the United States of America;

"US Tax Obligor" means:

- (a) a Borrower, if it is resident for tax purposes in the US; or
- (b) a Borrower or a Security Party some or all whose payments under the Finance Documents are from sources within the US for US federal income tax purposes; and

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112);
- (b) the value added tax imposed in the UK in accordance with the Value Added Tax Act 1994 and associated regulations; and

any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"Write-down and Conversion Powers" means:

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

1.2 Construction of certain terms

- (a) In this Agreement:
 - (i) **"administration notice"** means a notice appointing an administrator, a notice of intended appointment and any other notice which is required by law (generally or in the case concerned) to be filed with the court or given to a person prior to, or in connection with, the appointment of an administrator;
 - (ii) **"approved"** means, for the purposes of Clause 13 (*Insurance*), approved in writing by the Agent at its discretion;
 - (iii) **"asset"** includes every kind of property, asset, interest or right, including any present, future or contingent right to any revenues or other payment;
 - (iv) **"company"** includes any partnership, joint venture and unincorporated association;
 - (v) **"consent"** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration, notarisation and legalisation;

- (vi) **"contingent liability"** means a liability which is not certain to arise and/or the amount of which remains unascertained;
- (vii) 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;
- (viii) **"document"** includes a deed; also a letter, fax or email;
- (ix) **"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;
- (x) **"expense"** means any kind of cost, charge or expense (including all legal costs, charges and expenses) and any applicable value added or other tax;
- (xi) **"gross negligence"** means a form of negligence which is distinct from ordinary negligence, in which the due diligence and care which are generally to be exercised have been disregarded to a particularly high degree, in which the plainest deliberations have not been made and that which should be most obvious to everybody has not been followed;
- (xii) **"law"** includes any order or decree any form of delegated legislation, any treaty or international convention and any regulation or resolution of the Council of the European Union, the European Commission, the United Nations or its Security Council;
- (xiii) **"legal or administrative action"** means any legal proceeding or arbitration and any administrative or regulatory action or investigation;
- (xiv) **"liability"** includes every kind of debt or liability (present or future, certain or contingent), whether incurred as principal or surety or otherwise;
- (xv) **"months"** shall be construed in accordance with Clause 1.3 (*Meaning of "month"*);
- (xvi) **"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;
- (xvii) **"parent company"** has the meaning given in Clause 1.4 (*Meaning of "subsidiary"*);
- (xviii) **"person"** includes any individual, any partnership, any company; any state, political sub-division of a state and local or municipal authority; and any international organisation;
- (xix) **"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;
- (xx) **"protection and indemnity risks"** means the usual risks covered by a protection and indemnity association which is a member of the International Group of P&I Club,

including pollution risks, extended passenger cover and the proportion (if any) of any sums payable to any other person or persons in case of collision which are not recoverable under the hull and machinery policies by reason of the incorporation in them, the Nordic Marine Insurance Plan of 2013, version 2023, or clause 6 of the International Hull Clauses (1/11/02 or 1/11/03), clause 8 of the Institute Time Clauses (Hull)(1/10/83) or clause 8 of the Institute Time Clauses (Hulls)(1/11/1995) or the Institute Amended Running Down Clause (1/10/71) or any equivalent provision;

- (xxi) "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department, central bank or regulatory, self-regulatory or other authority or organisation;
 - (xxii) "**subsidiary**" has the meaning given in Clause 1.4 (*Meaning of "subsidiary"*);
 - (xxiii) "**successor**" includes any person who is entitled (by assignment, novation, merger or otherwise) to any 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;
 - (xxiv) "**war risks**" includes the risk of mines and all risks excluded by clause 29 of the International Hull Clauses (1/11/02 or 1/11/03), clause 24 of the Institute Time Clauses (Hulls)(1/11/95) or clause 23 of the Institute Time Clauses (Hulls) (1/10/83); and
 - (xxv) "**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) 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;
- (c) a reference 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;
- (d) a reference to a "**Central Bank Rate**" shall include any successor rate to, or replacement rate for, that rate;

- (e) any Benchmark Terms Supplement overrides anything in:
 - (i) Schedule 8 (*Benchmark Terms*); or
 - (ii) any earlier Benchmark Terms Supplement; and
- (f) a Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate or the Cumulative Compounded RFR Rate overrides anything relating to that rate in:
 - (i) Schedule 9 (*Daily Non-Cumulative Compounded RFR Rate*) or Schedule 10 (*Cumulative Compounded RFR Rate*), as the case may be; or
 - (ii) any earlier Compounding Methodology Supplement.

1.3 Meaning of "month"

A period of one or more "**months**" ends on the day in the relevant calendar month numerically corresponding to the day of the calendar month on which the period started ("**the numerically corresponding day**"), but:

- (a) other than where paragraph (b) below applies:
 - (i) (subject to sub-paragraph (a)(ii) and (iii) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
 - (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
 - (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end; and
- (b) in relation to an Interest Period for the Loan or any part of the Loan (or any other period for the accrual of commission or fees) for which there are rules specified as "Business Day Conventions" in the Benchmark Terms, those rules shall apply.

and "**month**" and "**monthly**" shall be construed accordingly.

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 attaching to the issued shares of S; or
- (c) P has the direct or indirect power to appoint or remove a majority of the directors of S; or

- (d) P otherwise has the direct or indirect power to ensure that the affairs of S are conducted in accordance with the wishes of P,

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

1.5 General Interpretation

In this Agreement:

- (a) references to, or to a provision of, a Finance Document or any other document are references to it as amended or supplemented, whether before the date of this Agreement or otherwise;
- (b) references to, or to a provision of, any law include any amendment, extension, re-enactment or replacement, whether made before the date of this Agreement or otherwise;
- (c) words denoting the singular number shall include the plural and vice versa;
- (d) in relation to each Creditor Party that is incorporated in Germany or otherwise notifies the Agent that it has become subject to the regulation below (each a "Restricted Lender"), each Clause referring to Sanctions and/or Restricted Party shall only apply for the benefit of that Restricted Lender to the extent that the relevant sanctions provisions would not result in (i) any violation of, conflict with or liability under EU Regulation (EC) 2271/96 or (ii) a violation or conflict with section 7 foreign trade rules (AWV) (Außenwirtschaftsverordnung) (in connection with section 2 paragraph 15 trade law (AWG) (Außenwirtschaftsgesetz)) or a similar anti-boycott statute (the "Mandatory Restrictions"). In connection with any determination or direction relating to any part of a Clause of which a Restricted Lender does not have the benefit due to a Mandatory Restriction, and any consequential determinations to be made or actions to be taken as a result of the initial determination or action relating to any part of that Clause, for so long as they remain subject to a Mandatory Restriction, the commitments of that Restricted Lender will be excluded for the purpose of determining whether the consent of the Lenders has been obtained or whether the determination or direction by the Lenders has been made; and
- (e) Clauses 1.1 (*Definitions*) to 1.6 (*Headings*) apply unless the contrary intention appears.

1.6 Headings

In interpreting a Finance Document or any provision of a Finance Document, all clause, sub-clause and other headings in that and any other Finance Document shall be entirely disregarded.

2 FACILITY

2.1 Amount of facility

Subject to the other provisions of this Agreement, the Lenders shall make available to the Borrowers a senior secured term loan facility of up to \$24,000,000 in three Advances, Advance A, Advance B and Advance C, for the purpose stated in the preamble to this Agreement.

2.2 Lenders' participations in Advances

Subject to the other provisions of this Agreement, each Lender shall participate in each Advance in the proportion which, as at the relevant Drawdown Date, its Commitment bears to the Total Commitments.

2.3 Purpose of Advances

The Borrowers undertake with each Creditor Party to use each Advance only for the purpose stated in the preamble to this Agreement.

3 POSITION OF THE LENDERS

3.1 Interests several

The rights of the Lenders under this Agreement are several.

3.2 Individual right of action

Each Lender shall be entitled to sue for any amount which has become due and payable by the Borrowers to it under this Agreement without joining the Agent, the Security Trustee or any other Lender as additional parties in the proceedings.

3.3 Proceedings requiring Majority Lender consent

Except as provided in Clause 3.2 (*Individual right of action*), no Lender may commence proceedings against the Borrowers or any Security Party in connection with a Finance Document without the prior consent of the Majority Lenders.

3.4 Obligations several

The obligations of the Lenders under this Agreement are several; and a failure of a Lender to perform its obligations under this Agreement shall not result in:

- (a) the obligations of the other Lenders being increased; nor
- (b) the Borrowers, any Security Party or any other Lender being discharged (in whole or in part) from its obligations under any Finance Document;

and in no circumstances shall a Lender have any responsibility for a failure of another Lender to perform its obligations under this Agreement.

4 DRAWDOWN

4.1 Request for an Advance

Subject to the following conditions, the Borrowers may request an Advance to be borrowed by ensuring that the Agent receives a completed Drawdown Notice not later than 11.00 a.m. (Hamburg time) two Business Days prior to the relevant Drawdown Date.

4.2 Availability

The conditions referred to in Clause 4.1 (*Request for an Advance*) are that:

- (a) a Drawdown Date has to be a Business Day during the Availability Period;
- (b) Advance A and Advance B shall be drawn on the same Drawdown Date;
- (c) each Advance shall not exceed the relevant Maximum Advance Amount;
- (d) any undrawn portion of the Total Commitments in respect of an Advance to occur, upon the determination of the Initial Value of the Ship to which that Advance relates, shall be automatically cancelled as at the Drawdown Date in respect of that Advance; and
- (e) the aggregate amount of the Advances 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 Advance to which that Drawdown Notice relates and the relevant Drawdown Date;
- (b) the amount of that Lender's participation in that Advance; and
- (c) the duration of the first Interest Period in respect of that Advance.

4.4 Drawdown Notice irrevocable

A Drawdown Notice must be signed by a duly authorised signatory of the Borrowers; and once served, a Drawdown Notice cannot be revoked without the prior consent of the Agent, acting on the authority of the Lenders.

4.5 Lenders to make available Contributions

Subject to the provisions of this Agreement, each Lender shall, on and with value on each Drawdown Date, make available to the Agent for the account of the Borrowers the amount due from that Lender on that Drawdown Date under Clause 2.2 (*Lenders' participations in Advances*).

4.6 Disbursement of Advance

Subject to the provisions of this Agreement, the Agent shall on each 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 like funds as the Agent received the payments from the Lenders.

The payment by the Agent under this Clause 4.6 (*Disbursement of Advance*) shall constitute the making of the Advance and the Borrowers shall at that time become indebted, as principal

and direct obligors, to each Lender in an amount equal to that Lender's participation in the Advance.

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 Compounded Reference Rate for that day.
- (b) If any day during an Interest Period for the Loan or any part of the Loan is not a RFR Banking Day, the rate of interest on the Loan or any 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 Notification of Interest Periods and rates of normal interest

- (a) The Agent shall promptly upon an Interest Payment being determinable, notify:
 - (i) the Borrowers of that Interest Payment;
 - (ii) each Lender of the proportion of that Interest Payment which relates to that Lender's participation in the Loan or the relevant part of the Loan; and
 - (iii) the Lenders and the Borrowers of to the extent it is then determinable, the Market Disruption Rate (if any) relating to the Loan or the relevant part of the Loan.
- (b) This paragraph (a) shall not apply to any Interest Payment determined pursuant to Clause 5.6 (*Cost of funds*).
- (c) The Agent shall promptly notify the Borrowers of each Funding Rate relating to the Loan or any part of the Loan.
- (d) 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 5.6 (*Cost of funds*) applies.
- (e) This Clause 5.3 (*Notification of Interest Periods and rates of normal interest*) shall not require the Agent to make any notification to any Party on a day which is not a Business Day.
- (f) No Interest Period in respect of the Loan or any part of the Loan shall be longer than three Months.

5.4 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 Benchmark Terms,

Clause 5.6 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for that Interest Period.

5.5 Market disruption

If:

- (a) a Market Disruption Rate is specified in the Benchmark Terms; and
- (b) 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 10 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 5.6 (*Cost of funds*) shall apply to the Loan or that part of the Loan (as applicable) for the relevant Interest Period.

5.6 Cost of funds

- (a) If this Clause 5.6 (*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 the Loan or that part of the Loan for that Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event by the Reporting Time for the Loan or that part of the Loan to be that which expresses as a percentage rate per annum its cost of funds relating to its participation in the Loan or that part of the Loan.
- (b) If this Clause 5.6 (*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 5.6 (*Cost of funds*) applies pursuant to Clause 5.5 (*Market disruption*) and:
 - (i) a Lender's Funding Rate is less than the Market Disruption Rate; or
 - (ii) a Lender does not notify a rate to the Agent by the time specified in sub-paragraph (ii) of paragraph (a) above,

that Lender's cost of funds relating to its participation in the Loan or the relevant part of the Loan for that Interest Period shall be deemed, for the purposes of sub-paragraph (ii) of paragraph (a) above, to be the Cumulative Compounded RFR Rate for the Loan or that part of the Loan.

- (f) If this Clause 5.6 (*Cost of funds*) applies, the Agent shall, as soon as is practicable, notify the Borrowers.

6 INTEREST PERIODS

6.1 Duration of Interest Periods

- (a) An Interest Period in respect of an Advance shall be:
 - (i) 3 months; or
 - (ii) such other period as proposed (by the Borrowers to the Agent no later than 11:00 AM Hamburg time five Business Days before the commencement of the relevant Interest Period as the agent may, in its sole discretion, agree with the Borrower (failing which the interest period shall be 3 months)).
- (b) The first Interest Period for an Advance shall start on the Drawdown Date of that Advance and each subsequent Interest Period in respect of that Advance shall start on the last day of the preceding Interest Period.
- (c) The first Interest Period for each subsequent Advance shall start on the Drawdown Date of such Advance and end on the last day of the Interest Period applicable to the Loan on the date on which such subsequent Advance is made.
- (d) An Interest Period in respect of an Advance shall not extend beyond the Final Repayment Date.
- (e) Subject to Clause 6.2 (*Changes to Interest Periods*), each Advance shall have one Interest Period only at any time.

6.2 Changes to Interest Periods

- (a) In respect of an Instalment, prior to determining the interest rate for the relevant Advance, the Agent may establish an Interest Period for a part of the relevant Advance equal to such Instalment to end on the Repayment Date relating to it and the remaining part of that Advance shall have the Interest Period selected, subject to paragraph (a) of Clause 6.1 (*Duration 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 Benchmark Terms, shall apply to each Interest Period.

7 DEFAULT INTEREST

7.1 Payment of default interest on overdue amounts

The Borrowers shall pay interest in accordance with the following provisions of this Clause 7 (*Default Interest*) on any amount payable by the Borrowers under any Finance Document which the Agent, the Security Trustee or the other designated payee does not receive on or before the relevant date, that is:

- (a) the date on which the Finance Documents provide that such amount is due for payment; or
- (b) if a Finance Document provides that such amount is payable on demand, the date on which the demand is served; or
- (c) if such amount has become immediately due and payable under Clause 19.4 (*Acceleration of Loan*), the date on which it became immediately due and payable.

7.2 Default rate of interest

Interest shall accrue on an overdue amount from (and including) the relevant date until the date of actual payment (as well after as before judgment) at the rate per annum determined by the Agent to be 2.00 per cent. above:

- (a) in the case of an overdue amount of principal, the higher of the rates set out at paragraphs (a) and (b) of Clause 7.3 (*Calculation of default rate of interest*); or
- (b) in the case of any other overdue amount, the rate set out at paragraph (b) of Clause 7.3 (*Calculation of default rate of interest*).

7.3 Calculation of default rate of interest

The rates referred to in Clause 7.2 (*Default rate of interest*) are:

- (a) the rate applicable to the overdue principal amount immediately prior to the relevant date (but only for any unexpired part of any then current Interest Period applicable to it);
- (b) the aggregate of the Margin plus, in respect of successive Interest Periods of any duration (including at call) up to three months which the Agent may select from time to time, a rate from time to time determined by the Agent by reference to each Lender's "cost of funds" (as such term is referred to in paragraph (a) of Clause 1.2 (*Construction of certain terms*)).

7.4 Notification of Interest Periods and default rates

The Agent shall promptly notify the Lenders and the Borrowers of each interest rate determined by the Agent under Clause 7.3 (*Calculation of default rate of interest*) and of each Interest Period selected by the Agent for the purposes of paragraph (b) of Clause 7.3 (*Calculation of default rate of interest*) of that Clause; but this shall not be taken to imply that

the Borrowers are liable to pay such interest only with effect from the date of the Agent's notification.

7.5 Payment of accrued default interest

Subject to the other provisions of this Agreement, any interest due under this Clause shall be paid on the last day of the Interest Period by reference to which it was determined; and the payment shall be made to the Agent for the account of the Creditor Party to which the overdue amount is due.

7.6 Compounding of default interest

Any such interest which is not paid at the end of the Interest Period by reference to which it was determined shall thereupon be compounded.

8 REPAYMENT AND PREPAYMENT

8.1 Amount of Instalments

The Borrowers shall repay:

- (a) Advance A, by 16 consecutive quarterly instalments each in the amount of \$255,000 (each an "Instalment A" and together, the "Instalments A" and a balloon instalment in the amount of \$3,745,000 (the "Balloon A Instalment"));
- (b) Advance B, by 16 consecutive quarterly instalments each in the amount of \$255,000 (each an "Instalment B" and together, the "Instalments B" and a balloon instalment in the amount of \$3,745,000 (the "Balloon B Instalment")); and
- (c) Advance C, by 16 equal consecutive quarterly instalments, each in the amount of \$260,000 (each an "Instalment C" and, together, the "Instalments C" and together with the Instalments A and the Instalments B, the "Instalments" and each an "Instalment") and a balloon instalment in the amount of \$4,190,000 (the "Balloon C Instalment" and together with the Balloon A Instalment and the Balloon B Instalment, the "Balloon Instalments" and each a "Balloon Instalment"),

Provided that, if the amount of an Advance advanced is less than the relevant Maximum Advance Amount, the Instalments and the Balloon Instalment relating to that Advance shall be reduced pro rata by an amount equal to the undrawn amount.

8.2 Repayment Dates

The first Instalment in respect of each Advance shall be repaid on the date falling three Months after the first Drawdown Date to occur under this Agreement and each subsequent Instalment in respect of that Advance shall be repaid at three-monthly intervals thereafter. The last Instalment in respect of each Advance shall be repaid together with the relevant Balloon Instalment, on the Final Repayment Date.

8.3 Final Repayment Date

On the Final Repayment Date, the Borrowers shall additionally pay to the Agent for the account of the Creditor Parties all other sums then accrued or owing under any Finance Document.

8.4 Voluntary prepayment

Subject to the following conditions, the Borrowers may prepay the whole or any part of the Loan on the last day of an Interest Period.

8.5 Conditions for voluntary prepayment

The conditions referred to in Clause 8.4 (*Voluntary prepayment*) are that:

- (a) a partial prepayment shall be in an amount equal to \$500,000 or a higher integral multiple thereof (or such other amount acceptable to the Agent in its sole discretion);
- (b) the Agent has received from the Borrowers at least 5 Business Days' prior irrevocable written notice (each, a "**Prepayment Notice**") specifying the amount to be prepaid and the date on which the prepayment is to be made;
- (c) the Borrowers have provided evidence satisfactory to the Agent that any consent required by any Borrower or any Security Party in connection with the prepayment has been obtained and remains in force, and that any regulation relevant to this Agreement which affects any Borrower or any Security Party has been complied with; and
- (d) the Borrowers are in compliance with Clause 8.9 (*Amounts payable on prepayment*) on or prior to the date of prepayment.

8.6 Prepayment Notice

The Agent shall notify the Lenders promptly upon receiving a Prepayment Notice, and shall provide, any Lender which so requests with a copy of any document delivered by the Borrowers under Clause 8.5(c) (*Conditions for voluntary prepayment*).

8.7 Mandatory prepayment on sale or Total Loss

The Borrowers shall be obliged to prepay the Relevant Amount if a Ship:

- (a) is sold, on or before the date on which the sale is completed by delivery of the Ship to the buyer; or
- (b) becomes a Total Loss, on the earlier of the date falling 140 days after the Total Loss Date (and, in the case of a piracy, 1 year 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 8.7 (*Mandatory prepayment on sale or Total Loss*):

"**Relevant Amount**" means an amount equal to the greater of:

- (a) the Advance used to finance the Ship which is being sold or has become Total Loss; and
- (b) an amount (if any) which after the application of the prepayment to be made pursuant to Clause 8.10(b) (*Application of partial prepayment*) results in the Security Cover Ratio being the greater of (A) 135 per cent. and (B) the percentage which applied immediately prior to the applicable event described in paragraph (a) or (b) of this Clause 8.7 (*Mandatory prepayment on sale or Total Loss*).

8.8 Effect of Prepayment Notice

A Prepayment Notice may not be withdrawn or amended without the consent of the Agent, given with the authorisation of the Majority Lenders, the amount specified in that Prepayment Notice shall become due and payable by the Borrowers on the date for prepayment specified in that Prepayment Notice.

8.9 Amounts payable on prepayment

A prepayment shall be made together with accrued interest (and any other amount payable under Clause 21 (*Indemnities*) or otherwise) in respect of the amount prepaid and, if the prepayment is not made on the last day of an Interest Period together with any Break Costs but without premium or penalty.

8.10 Application of partial prepayment

Each partial prepayment shall be applied:

- (a) if made pursuant to Clauses 8.4 (*Voluntary prepayment*), 15.2 (*Prepayment; provision of additional security*), 19.2 (*Actions following and Event of Default*), 23.3 (*Prepayment; termination of Commitment*) or 24.6 (*Prepayment; termination of Commitment*), proportionately between the Advances and thereafter within each Advance, pro rata against the then outstanding Instalments and the Balloon Instalment in respect of that Advance; and
- (b) if made pursuant to Clause 8.7 (*Mandatory prepayment on sale or Total Loss*), first towards full repayment of the Advance related to the Ship being sold or which has become a Total Loss, and any balance (if applicable) shall thereafter be applied proportionately between the other Advances and thereafter within each of those Advances, pro rata against the then outstanding Instalments and the Balloon Instalment in respect of such Advance.

8.11 No reborrowing

No amount prepaid or cancelled may be (re)borrowed.

9 CONDITIONS PRECEDENT

9.1 Documents, fees and no default

Each Lender's obligation to contribute to an Advance is subject to the following conditions precedent:

- (a) that, on or before the service of the first Drawdown Notice, the Agent receives the documents described in Part A of Schedule 3 (*Conditions Precedent Documents*) in form and substance satisfactory to the Agent and its lawyers;
- (b) that, on the Drawdown Date but prior to the making of the Advance, the Agent receives or is satisfied (in its absolute discretion) that it will receive on the making of the Advance:
 - (i) the documents described in Part B of Schedule 3 (*Conditions Precedent Documents*) in form and substance satisfactory to the Agent and its lawyers;
 - (ii) payment of the structuring fee payable pursuant to Clause 20.1(a) (*Structuring and commitment fees*);

- (iii) payment of any commitment fee payable pursuant to Clause 20.1(b) (*Structuring and commitment fees*); and
 - (iv) payment of any expenses payable pursuant to Clause 20.2 (*Costs of negotiation, preparation etc.*) which are due and payable on the Drawdown Date to which that Drawdown Notice relates;
- (c) that both at the date of each Drawdown Notice and at the relevant Drawdown Date:
- (i) no Event of Default or Potential Event of Default has occurred or would result from the borrowing of the relevant Advance;
 - (ii) the representations and warranties in Clause 10 (*Representations and Warranties*) and those of any Borrower 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 5.5 (*Market disruption*) has occurred and is continuing; and
 - (iv) there has been no Material Adverse Change; and
- (d) that, if the Security Cover Ratio were applied immediately following the making of an Advance, the Borrowers would not be obliged to provide additional security or prepay part of the Loan under Clause 15.2 (*Prepayment; provision of additional security*); 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 relevant Drawdown Date.

9.2 Waiver of conditions precedent

If the Majority Lenders, at their discretion, permit an Advance 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 relevant Drawdown Date (or such longer period as the Agent may, with the authorisation of the Majority Lenders, specify).

10 REPRESENTATIONS AND WARRANTIES

10.1 General

Each Borrower represents and warrants to each Creditor Party as follows.

10.2 Status

Each Borrower is a limited liability company, duly incorporated, validly existing and in good standing under the laws of England and no Borrower or Security Party is a US Tax Obligor.

10.3 Share capital and ownership

- (a) Borrower A has an authorised share capital of \$19,350,000 divided into 15,480,000 ordinary shares of \$1.25 nominal value per share, all of which has been issued fully paid.
- (b) Borrower B has an authorised share capital of \$19,230,000 divided into 15,384,000 ordinary shares of \$1.25 nominal value per share, all of which has been issued fully paid.
- (c) Borrower C has an authorised share capital of \$20,540,000 divided into 16,432,000 ordinary shares of \$1.25 nominal value per share, all of which has been issued fully paid
- (d) The legal title and beneficial ownership of all those shares is held, free of any Security Interest or other claim, by the Shareholder.

10.4 Corporate power

Each Borrower has the corporate capacity, and has taken all corporate action and obtained all consents necessary for it:

- (a) to execute the Underlying Documents to which it is a party and to maintain its Ship registered in its ownership under the applicable Approved Flag;
- (b) to execute the Finance Documents to which that Borrower is a party;
- (c) to maintain its Ship registered in its ownership under the Approved Flag;
- (d) to 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 each 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) and subject to the Legal Reservations:

- (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 (having the priority specified in the relevant Finance Document) 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 Security Interests and 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 each Borrower is a party:

- (a) that 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 each Borrower and each Security Party of each Finance Document and each Underlying Document to which it is a party, and the borrowing by that Borrower (together with the other Borrowers) of the Loan (or any part thereof), and its compliance with each Finance Document and each Underlying Document to which it is a party:

- (a) will not involve or lead to a contravention of:
 - (i) any law or regulation applicable to it; or
 - (ii) the constitutional documents of that Borrower or any Security Party; or
 - (iii) any contractual or other obligation or restriction which is binding on that Borrower or any Security Party or any of its assets, and
- (b) will not have a Material Adverse Effect; and
- (c) is for the corporate benefit of that Borrower or the relevant Security Party.

10.9 No withholding taxes

No Borrower is required to make any Tax Deduction from any payment it may make under any Finance Document to a Lender which is:

- (a) a Qualifying Lender:
 - (i) falling within paragraph (a)(i) of the definition of "Qualifying Lender"; or
 - (ii) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within (a)(i) of the definition of "Qualifying Lender"; or
 - (iii) falling within (b) of the definition of "Qualifying Lender" or;
- (b) a Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).

10.10 No filing or stamp taxes

Under the laws of each Borrower's Relevant Jurisdiction it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

10.11 Taxation

- (a) No Borrower is materially overdue in the filing of any Tax returns.
- (b) 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.
- (c) No claims or investigations are being, or are reasonably likely to be, made or conducted against any Borrower with respect to Taxes.
- (d) Each Borrower is resident for Tax purposes only in its jurisdiction of incorporation.

10.12 No default

No Event of Default nor Potential Event of Default has occurred.

10.13 Information

All information which has been provided in writing by or on behalf of the Borrowers or any Security Party to any Creditor Party in connection with any Finance Document satisfied the requirements of Clause 11.5 (*Information provided to be accurate*); all audited and unaudited accounts and financial statements which have been so provided satisfied the requirements of Clause 11.7 (*Form of financial statements*) and are true, correct and not misleading and present fairly and accurately the financial position of the Borrowers; and there has been no change in the financial position or state of affairs of any Borrower from that disclosed in the latest of those accounts which is likely to have a Material Adverse Effect.

10.14 No litigation

No legal or administrative action involving any Borrower or any Security Party (including action relating to any alleged or actual breach of the ISM Code or the ISPS Code) has been commenced or taken or, to any Borrower's knowledge, is likely to be commenced or taken which would, in either case, be likely to have a Material Adverse Effect.

10.15 Validity and completeness of Underlying Documents

Each of the Underlying Documents constitutes valid, binding and enforceable obligations of the parties thereto in accordance with its terms and:

- (a) each of the copies of that Underlying Document delivered to the Agent before the date of this Agreement is a true and complete copy; and
- (b) no amendments or additions to that Underlying Document have been agreed nor has any party which is the party to that Underlying Document, waived any of their respective rights thereunder.

10.16 Compliance with certain undertakings

At the date of this Agreement, the Borrowers are in compliance with Clauses 11.2 (*Title and negative pledge*), 11.4 (*No other liabilities or obligations to be incurred*), 11.9 (*Consents*), 11.13 (*Principal place of business*), 13 (*Insurance*), 14.3 (*Repair and classification*) and 14.10 (*Compliance with laws, etc.*).

10.17 No rebates

There is no agreement or understanding to allow or pay any rebate, premium, commission, discount or other benefit or payment (howsoever described) to a Borrower or a third party in connection with the purchase by that Borrower of its Ship, other than as disclosed to the Agent in writing on or prior to the date of this Agreement.

10.18 ISM Code and ISPS Code compliance

All requirements of the ISM Code and the ISPS Code as they relate to the Borrowers, an Approved Manager and the Ships have been complied with and each Ship is in good and seaworthy condition.

10.19 No Money laundering

- (a) No Borrower has, and has procured that no Security Party, to the extent applicable, has, in connection with this Agreement or any of the other Finance Documents, contravened, or permitted any subsidiary to contravene, any law, official requirement or other regulatory measure or procedure implemented to combat "money laundering" (as defined in Article 1 of the Directive 2015/849/EC of the European Parliament and of the Council of the European Communities) and comparable United States Federal and state laws. Each Borrower has further submitted any documents and declarations on request, if such documents or declarations are required by any Creditor Party to comply with its domestic money laundering and/or legal identification requirements.
- (b) Each Borrower confirms to the Agent that it is the beneficiary within the meaning of the German Anti Money Laundering Act (Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten (Geldwäschegesetz)), acting for its own account and not for or on behalf of any other person for each part of the Loan made or to be made available to it under this Agreement that is to say, it acts for its own account and not for or on behalf of anyone else.

10.20 No immunity

No Borrower nor any of its assets is entitled to immunity on grounds of sovereignty or otherwise from any legal action or proceeding (including, without limitation, suit, attachment prior to judgement, execution or other enforcement).

10.21 Choice of law

Subject to the Legal Reservations, the choice of the laws of England to govern this Agreement and those other Finance Documents which are expressed to be governed by the laws of England, the laws of Germany to govern the Account Pledges and the laws of the applicable Approved Flag State to govern the Mortgages, constitutes a valid choice of law and the submission by the Borrowers or, as the case may be, the relevant Security Parties thereunder to the exclusive jurisdiction of the Courts of England and, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State is a valid submission and does not contravene the laws of England or, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State or the laws of any other Pertinent Jurisdiction, will be applied by the courts of any Pertinent Jurisdiction if this Agreement or those other Finance Documents or any claim thereunder comes under their jurisdiction upon proof of the relevant provisions of the laws of England or, in the case of the Account Pledges, Germany or, in the case of the Mortgages, the applicable Approved Flag State.

10.22 Pari passu ranking

The obligations of each Borrower and each Security Party under the Finance Documents to which it is a party are direct, general and unconditional obligations and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except for obligations mandatorily preferred by law applying to companies generally.

10.23 Sanctions

- (a) No Borrower, nor any Security Party, or any of their respective directors or officers or, to the Borrowers' or the relevant Security Party's best knowledge (after due and careful inquiry), any of the Borrower's or such Security Party's employees, affiliates, agents or representatives:
 - (i) is a Restricted Party;
 - (ii) has been engaged in any transaction, activity or conduct that could reasonably be expected to result in it becoming a Restricted Party;
 - (iii) has or intends to have any business operations or other dealings:
 - (A) in any Sanctioned Country which may result in a violation of any Sanctions applicable to it;
 - (B) with any Specially Designated National (SDN) on OFAC's SDN list or with a designated person targeted by asset freeze sanctions imposed by the UN, EU, Switzerland or HMT or owned or controlled by any such SDN or designated person; or
 - (C) involving commodities or services subject to Sanctions, when the same commodities and services are of a Sanctioned Country origin or shipped to, through, or from a Sanctioned Country, or on Sanctioned Country owned or registered vessels or aircraft, or finance or subsidise any of the foregoing exceeding 5 per cent. aggregated in comparison to each Borrower's total assets or revenues;
 - (iv) has received notice of, or is otherwise aware of, any claim, action, suit, proceedings or investigation involving it with respect to Sanctions; and/or
 - (v) is acting on behalf of or at the direction of any Restricted Party.
- (b) Each Security Party, has taken, to the extent applicable to it, reasonable measures to ensure compliance with any Sanctions and will not use any part of the proceeds from the Loan or any part of the Loan in a manner which may result in a violation of any Sanctions by any person.
- (c) The representations and warranties provided for in this Clause 10.23 (*Sanctions*) are only given by, and/or (as applicable) shall only apply to, any Security Party which is a German Relevant Person (as defined in Clause 19.9 (*Relevant Persons*)) or any other Security Party bound by any applicable statutory anti-boycott law or regulation insofar as the giving of and compliance with such representations and warranties do not and will not result in a violation of or conflict with or liability under section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung, AWV*) (in conjunction with section 4 and section 19 paragraph 3 no. 1 a) of the German Foreign Trade Act (*Außenwirtschaftsgesetz, AWG*), any provision of Council Regulation (EC) 2271/96 or any similar applicable anti-boycott law or regulation.

- (d) In relation to a Restricted Lender, the representations and warranties provided for in this Clause 10.23 (*Sanctions*) shall only apply for the benefit of that Restricted Lender to the extent that such benefit and the exercise of any rights based on such representations and warranties will not result in a violation of or conflict with or liability under section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*, AWV) (in conjunction with section 4 and section 19 paragraph 3 no. 1 a) of the German Foreign Trade Act (*Außenwirtschaftsgesetz*, AWG), any provision of Council Regulation (EC) 2271/96 or any similar applicable anti-boycott law or regulation. In connection with any amendment, waiver, determination or direction relating to any part of this Clause 10.23 (*Sanctions*) of which a Restricted Lender does not have the benefit, the commitments of that Restricted Lender will be disregarded for all purposes when determining whether the consent of the Majority Lenders or such other applicable quorum has been obtained or whether the determination or direction by the Majority Lenders or such other applicable quorum has been made.

10.24 Repetition

The representations and warranties in this Clause 10 (*Representations and Warranties*) shall be deemed to be repeated by the Borrowers:

- (a) on the date of service of each Drawdown Notice;
- (b) on each Drawdown Date; and
- (c) with the exception of paragraph (b) of Clause 10.6 (*Legal validity; effective Security Interests*), paragraph (a)(i) of Clause 10.8 (*No conflicts*), Clause 10.9 (*No withholding taxes*), Clause 10.10 (*No filing or stamp taxes*), Clause 10.13 (*Information*), Clause 10.14 (*No litigation*), Clause 10.16 (*Compliance with certain undertakings*), 10.18 (*ISM Code and ISPS Code compliance*) and Clause 10.21 (*Choice of law*), on the first day of each Interest Period and on the date of any Compliance Certificate issued pursuant to Clause 11.21 (*Compliance Certificate*),

as if made with reference to the facts and circumstances existing on each such day.

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, acting with the authorisation of the Majority Lenders, may 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 its Ship, her Insurances and Earnings, free from all Security Interests and other interests and rights of every kind, except for those created by the Finance Documents and the effect of assignments contained in the Finance Documents and except for Permitted Security Interests; and
- (b) not create or permit to arise any Security Interest (except for Permitted Security Interests) over any other asset, present or future.

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) above does not apply to the sale of a Ship **Provided that** the required prepayment in respect of that sale is made in accordance with Clauses 8.7 (*Mandatory prepayment on sale or Total Loss*) and 8.9 (*Amounts payable on prepayment*) and no Potential Event of Default or Event of Default has occurred and is continuing at the relevant time.

11.4 No other liabilities or obligations to be incurred

No Borrower will enter into any investments, any sale or leaseback agreements or any off-balance sheet transactions, or incur any other liability or obligation (including, without limitation, any Financial Indebtedness or any obligations under a guarantee) except:

- (a) liabilities and obligations under the Finance Documents and the Underlying Documents to which it is or, as the case may be, will be a party; and
- (b) liabilities or obligations incurred in the normal course of its business of trading, operating and chartering, maintaining and repairing the Ship owned by it (including, without limitation, any Financial Indebtedness owing to the Shareholder subject to the relevant Borrower ensuring on or prior to the first Drawdown Date that the rights of each creditor thereunder are fully subordinated in writing pursuant to a Subordination Agreement).

11.5 Information provided to be accurate

All financial and other information, including but not limited to factual information, exhibits and reports, which is provided in writing by or on behalf of a Borrower under or in connection with any Finance Document will be true, correct 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 there are sent to the Agent:

- (a) as soon as they become available, but in no event later than 180 days after the end of each Financial Year of that Borrower, the audited annual financial statements of that Borrower for that Financial Year (commencing with the financial statements for the Financial Year ending on 31 December 2024); and
- (b) as soon as they become available, but in no event later than 90 days after the end of each 6-month period ending on 30 June and 31 December in each Financial Year of that Borrower, the semi-annual unaudited management accounts of that Borrower (commencing with the management accounts for the 6-month period ending on 30 June 2024), duly certified as to their correctness by a director of that Borrower.

11.7 Form of financial statements

All accounts delivered under Clause 11.6 (*Provision of financial statements*) will:

- (a) be prepared in accordance with all applicable laws and IFRS and, in the case of any audited financial statements, be certified by an independent and reputable auditor having requisite experience selected and appointed by the relevant Borrower;
- (b) fairly represent the financial condition of each Borrower 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 each Borrower.

11.8 Shareholder and creditor notices and press releases

Each Borrower will send the Agent promptly upon its request copies of all communications which are despatched to that Borrower's shareholders or creditors or any class of them and copies of any relevant press releases.

11.9 Consents

Each Borrower 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 to perform its obligations under any Finance Document or any Underlying Document to which it is a party;
 - (b) for the validity or enforceability of any Finance Document or any Underlying Document to which it is a party;
 - (c) for that Borrower to own and operate the Ship owned by it,
- and that Borrower 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 having the priority specified in the relevant Finance Document); and
- (b) without limiting the generality of paragraph (a), at its own cost, promptly register, file, record or enrol any Finance Document with any court or authority in all Pertinent Jurisdictions, pay any stamp, registration or similar Tax in all Pertinent Jurisdictions in respect of any Finance Document, 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 (including any action relating to any alleged or actual breach of the ISM Code or the ISPS Code)

involving that Borrower, the Ship owned by it, the Earnings or the Insurances in respect of that Ship, any Security Party or any Approved Manager, 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, and each Borrower shall procure that all reasonable measures are taken to defend any such legal or administrative action.

11.12 No amendment to Underlying Documents

The Borrowers will not waive or fail to enforce, the Underlying Documents to which it is a party or any of its provisions and promptly notify the Agent of any amendment or supplement to any Underlying Document.

11.13 Principal place of business

Each Borrower will maintain its place of business, and keep its corporate documents and records, at the address stated at the commencement of this Agreement; and no Borrower will establish, or do anything as a result of which it would be deemed to have, a place of business in any country other than the United Kingdom.

11.14 Confirmation of no default

Each Borrower will, within two Business Days after service by the Agent of a written request, serve on the Agent a notice which is signed by a director of that 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 11.14 (*Confirmation of no default*) from time to time but only if asked to do so by a Lender or Lenders having Contributions exceeding 10 per cent. of the Loan or (if no Advances have been made) Commitments exceeding 10 per cent. of the Total Commitments; and this Clause 11.14 (*Confirmation of no default*) does not affect the Borrowers' obligations under Clause 11.15 (*Notification of default*).

11.15 Notification of default

Each Borrower will notify the Agent as soon as that Borrower becomes aware of:

- (a) the occurrence of an Event of Default or a Potential Event of Default; or
- (b) any matter which indicates that an Event of Default or a Potential Event of Default may have occurred,

and will keep the Agent fully up-to-date with all developments.

11.16 Provision of further information

Each Borrower will, as soon as practicable after receiving the request, provide the Agent with any additional financial or other information relating:

- (a) to that Borrower, the Ship owned by it, the Earnings, the Insurances, the Shareholder and the Security Parties (including, without limitation, any information regarding any sale and purchase agreements, investment brochures, shipbuilding contracts and charter agreements); or
 - (b) to any other matter relevant to, or to any provision of, a Finance Document,
- which may be requested by the Agent, the Security Trustee or any Lender at any time.

11.17 Provision of copies and translation of documents

Each Borrower will supply the Agent with a sufficient number of copies of the documents referred to above to provide one copy for each Creditor Party; and if the Agent so requires in respect of any of those documents, the Borrowers will provide a certified English or, as the case may be, German translation prepared by a translator approved by the Agent and/or have them notarised and/or legalised by a competent authority.

11.18 "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 composition of the shareholders of the Borrowers or any Security Party after the date of this Agreement; or
- (c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement 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 (c), any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrowers shall promptly upon the request of the Agent or the Lender concerned supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or the Lender concerned (for itself or, in the case of the event described in paragraph (c), on behalf of any prospective new Lender) in order for the Agent, the Lender concerned or, in the case of the event described in paragraph (c), any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

11.19 Minimum Liquidity and Additional Minimum Liquidity

- (a) The Borrowers shall maintain in the Liquidity Account credit balances in an amount of not less than \$300,000 in respect of each Mortgaged Ship (the "**Minimum Liquidity**"), commencing from the Drawdown Date relating to the Advance financing that Ship and at all times thereafter throughout the remainder of the Security Period.
- (b) In addition to the amount required to be maintained under paragraph (a) of this Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*), the Borrowers shall maintain in the Liquidity Account credit balances in an amount of not less than \$616,666.67 in respect of each Mortgaged Ship (the "**Additional Minimum Liquidity**"), commencing from the Drawdown Date

relating to the Advance financing that Ship and, subject to paragraphs (c), (d) and (e) below, at all times thereafter throughout the remainder of the Security Period.

- (c) The Agent will gradually release to the Borrowers, at their written request, the Additional Minimum Liquidity as follows:

- (i) an amount of up to \$205,555.57 in respect of each Mortgaged Ship, subject to the Agent being satisfied that the first to fourth Instalments (inclusive) in respect of the Advance financing that Ship have been repaid in full;
- (ii) an amount of up to \$205,555.57 in respect of each Mortgaged Ship, subject to the Agent being satisfied that the first to eighth Instalments (inclusive) in respect of the Advance financing that Ship have been repaid in full; and
- (iii) an amount of up to \$205,555.57 in respect of each Mortgaged Ship, subject to the Agent being satisfied that the first to twelfth Instalments (inclusive) in respect of the Advance financing that Ship have been repaid in full, and

and, in each case, **provided that** no Event of Default or Potential Event of Default has occurred and is continuing at the relevant time.

- (d) Subject to the provisions paragraphs (a) and (b) of this Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*), the Agent will release to the Borrowers, at their written request, the Minimum Liquidity and any Additional Minimum Liquidity in relation to any Mortgaged Ship if:

- (i) the relevant Mortgaged Ship has been sold or has become a Total Loss and the Borrowers have satisfied their payment obligations pursuant to Clauses 8.7 (*Mandatory prepayment*) and 8.9 (*Amounts payable on prepayment*) in relation to such sale or Total Loss; or
- (ii) the Advance relating to that Mortgaged Ship and all other amounts payable by the Borrowers under the Finance Documents in relation to that Mortgaged Ship have been repaid or, as the case may be, paid in full and the security granted over the relevant Mortgaged Ship under the Finance Documents has been released,

and **provided that** no Event of Default or Potential Event of Default has occurred and is continuing at that time.

- (e) Notwithstanding anything to the contrary in paragraph (c) of this Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*), the Borrowers may request that the Agent applies the Additional Minimum Liquidity (in whole or in part), towards payment of the Debt Service, subject to (i) the Borrowers providing evidence satisfactory to the Agent that there is a shortfall in the cash flow of the Mortgaged Ships at the relevant time which will result in the Borrowers not being able to meet the Debt Service as it falls due and (ii) no Event of Default or Potential Event of Default having occurred and being continuing at that time. Any amounts applied pursuant to this paragraph (e) of Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*) shall be deemed to reduce the Additional Minimum Liquidity in relation to each Mortgaged Ship on a pro rata basis.

- (f) In this Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*), "**Debt Service**" means the aggregate payment obligations of the Borrowers under this Agreement and the other Finance Documents in respect of the principal of the Loan during any relevant period.

11.20 Dry Docking Reserve Amount

- (a) The Borrowers shall deposit in the Dry-Dock Reserve Account an additional amount of not less than \$25,000 per Ship (\$75,000 in aggregate) on a quarterly basis, commencing on the date falling three months after the Drawdown Date relating to the Advance financing the relevant Ship and at three-monthly intervals thereafter until the end of the Security Period (the "**Dry Docking Reserve Amount**").
- (b) Any part of the Dry-Docking Reserve Amount may be released to the Borrowers only for the purpose of covering any costs (including prepayments and/or down payments to suppliers and yards) in relation to a Ship's next special survey, intermediate survey or dry dock, subject to:
 - (i) the Borrowers previously delivering to the Agent invoices, pro forma invoices or other evidence satisfactory to the Agent relating to such special survey, intermediate survey or dry dock in respect of that Ship; and
 - (ii) no Event of Default or Potential Event of Default having occurred and being continuing at the relevant time or resulting from the release of that part of the Dry-Docking Reserve Amount.

11.21 Compliance Certificate

- (a) The Borrowers shall supply to the Agent, together with each set of financial statements and management accounts delivered pursuant to paragraphs (a) and (b) of Clause 11.16 (*Provision of further information*), a Compliance Certificate.
- (b) Each Compliance Certificate shall be duly signed by a director of each Borrower, evidencing (inter alia) the Borrowers' compliance (or not, as the case may be) with the provisions of Clauses 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*), 11.20 (*Dry Docking Reserve Amount*) and 15.1 (*Minimum required security cover*).

11.22 No Money laundering

- (a) Each Borrower:
 - (i) will not, and will procure that no Security Party, to the extent applicable, will, in connection with this Agreement or any of the other Finance Documents, contravene, or permit any subsidiary to contravene, any law, official requirement or other regulatory measure or procedure implemented to combat "money laundering" (as defined in Article 1 of the Directive 2015/849/EC of the European Parliament and of the Council of the European Union of 20 May 2015) and any comparable US federal and state laws; and
 - (ii) shall further submit any documents and declarations on request, if such documents or declarations are required by any Creditor Party to comply with its domestic money laundering and/or legal identification requirements.
- (b) Each Borrower:
 - (i) confirms that it is the beneficiary within the meaning of the German Anti Money Laundering Act (Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten (Geldwäschegesetz)), acting for its own account and not for or on behalf of any other person for each part of the Loan made or to be made available to it under this

Agreement (that is to say, it acts for its own account and not for or on behalf of anyone else); and

- (ii) will promptly inform the Agent by written notice, if it is not or ceases to be the beneficiary and will provide in writing the name and address of the beneficiary.
- (c) The Agent shall promptly notify the Lenders of any written notice it receives under subparagraph (b)(ii) above.

11.23 Taxation

- (a) Each Borrower shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them; and
 - (iii) such payment can be lawfully withheld.
- (b) No Borrower may change its jurisdiction of residence for Tax purposes.

11.24 Sanctions

- (a) Each Borrower undertakes that neither it nor its subsidiaries will, directly or indirectly, engage in any activities in conflict with or in violation of any Sanctions and, in particular, neither a Borrower nor any of its subsidiaries will, directly or indirectly:
 - (i) use the proceeds of the Loan or any part of the Loan to lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person that is a Restricted Party;
 - (ii) fund all or part of any repayment or prepayment of the Loan with funds that are the property of, are beneficially owned directly or indirectly by, or are derived from any transaction with or action involving a Restricted Party; or
 - (iii) otherwise act in any manner with respect to such proceeds which would result in a violation by any person (including any Creditor Party or any person participating in the transaction, whether as initial purchaser, advisor, investor or otherwise) of Sanctions.
- (b) The undertakings provided for in this Clause 11.24 (*Sanctions*) are only given by, and/or (as applicable) shall only apply to, any Security Party which is a German Relevant Person or any Security Party bound by any applicable statutory anti-boycott law or regulation insofar as the giving of and compliance with such undertakings do not and will not result in a violation of or conflict with or liability under section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung, AWV*) (in conjunction with section 4 and section 19 paragraph 3 no. 1 a) of the German Foreign Trade Act (*Außenwirtschaftsgesetz, AWG*), any provision of Council Regulation (EC) 2271/96 or any other applicable anti-boycott or similar applicable laws or regulation.
- (c) In relation to a Restricted Lender, the undertakings provided for in this Clause 11.24 (*Sanctions*) shall only apply for the benefit of that Restricted Lender to the extent that such benefit and

the exercise of any rights based on such undertakings will not result in a violation of or conflict with or liability under section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*, AWW) (in conjunction with section 4 and section 19 paragraph 3 no. 1 a) of the German Foreign Trade Act (*Außenwirtschaftsgesetz*, AWG), any provision of Council Regulation (EC) 2271/96 or any similar applicable anti-boycott law or regulation. In connection with any amendment, waiver, determination or direction relating to any part of this Clause 11.24 (*Sanctions*) of which a Restricted Lender does not have the benefit, the Commitments of that Restricted Lender will be disregarded for all purposes when determining whether the consent of the Majority Lenders (or such other applicable quorum) has been obtained or whether the determination or direction by the Majority Lenders (or such other applicable quorum) has been made.

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, acting with the authorisation of the Majority Lenders, may otherwise permit in writing.

12.2 Maintenance of status

Each Borrower will maintain its separate corporate existence and remain in good standing under the laws of England.

12.3 Negative undertakings

No Borrower will:

- (a) change the nature of its business or carry on any business other than the ownership, chartering and operation of the Ship owned by it;
- (b) pay any dividend or make any other form of distribution or effect any form of redemption, purchase or return of share capital (each, a "**Distribution**") if (i) an Event of Default or a Potential Event of Default has occurred at the relevant time or will result from such Distribution or (ii) there is a breach of any provision of this Agreement or any other Finance Document;
- (c) repay any Subordinated Debt;
- (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;

- (e) open or maintain any account with any bank or financial institution except accounts with the Agent, the Account Bank and the Security Trustee for the purposes of the Finance Documents;
- (f) issue, allot or grant any person a right to any of shares in its capital or repurchase or reduce its issued share capital;
- (g) acquire any shares or other securities other than short term debt obligations or Treasury bills issued by the US, the UK or a Participating Member State and certificates of deposit issued by major North American or European banks, or enter into any transaction in a derivative; or
- (h) enter into any form of amalgamation, merger or de-merger, acquisition, divesture, split-up or any form of reconstruction or reorganisation;
- (i) change its Financial Year or its auditors, **Provided that** a Borrower may change its auditors with the prior written consent of the Agent (such consent not to be unreasonably withheld) and subject to such new auditors being acceptable to the Agent; or
- (j) enter into any material agreement other than:
 - (i) the Finance Documents and any Underlying Documents;
 - (ii) any agreement required in the ordinary course of its business of owning, maintaining, operating and chartering its Ship; and
 - (iii) any other agreement expressly allowed under any other term of this Agreement.

13 INSURANCE

13.1 General

Each Borrower also undertakes with each Creditor Party to comply with the following provisions of this Clause 13 (*Insurance*) from the date of this Agreement and at all times thereafter during the Security Period except as the Agent, acting with the authorisation of the Majority Lenders, may otherwise permit in writing.

13.2 Maintenance of obligatory insurances

Each Borrower shall keep the Ship owned by it insured at the expense of that Borrower against:

- (a) fire and usual marine risks (including hull and machinery and excess risks);
- (b) war risks (including, without limitation, protection and indemnity war risks with a separate limit not less than hull value of the relevant Ship);
- (c) protection and indemnity risks (including, without limitation, protection and indemnity war risks in excess of the amount for war risks (hull) and oil pollution liability risks) in each case in the highest amount available in the international insurance market; and
- (d) any other risks the insurance of which the Security Trustee (acting on the instructions of the Majority Lenders), having regard to practices, recommendations and other circumstances prevailing at the relevant time, may from time to time reasonably require by notice to that Borrower.

13.3 Terms of obligatory insurances

Each Borrower shall effect such insurances in such amounts upon such terms and conditions (including, without limitation, any LSW 1189 or, in the opinion of the Security Trustee, comparable mortgage clause) as shall from time to time be approved in writing by the Security Trustee in its sole discretion, but in any event as follows:

- (a) in Dollars;
- (b) in the case of fire and usual marine risks and war risks, on an agreed value basis in an amount equal to at least the higher of (i) an amount which is equal to 120 per cent. of the aggregate of (A) the Advance relating to that Borrower's Ship and (B) the principal amount secured by any equal or prior ranking Security Interest on that Ship and (ii) the Market Value of that Ship;
- (c) in the case of oil pollution liability risks, for an 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 Protection and Indemnity Clubs) and the international marine insurance market (currently \$1,000,000,000 for any one accident or occurrence);
- (d) in relation to protection and indemnity risks in respect of the full value and tonnage of that Ship;
- (e) in relation to war risks insurance, extended to cover piracy and terrorism where excluded under the fire and usual marine risks insurance;
- (f) on approved terms and conditions;
- (g) such other risks of whatever nature and howsoever arising in respect of which insurance would be maintained by a prudent owner of a vessel similar to that Ship; and
- (h) through approved brokers and with approved insurance companies and/or underwriters which have a Standard & Poor's rating of at least BBB- or a comparable rating by any other rating agency acceptable to the Security Trustee (acting on the instructions of the Majority Lenders) 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 Clubs.

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 and shall procure that:

- (a) it and any and all third parties who are named assured or co-assured under any obligatory insurance shall assign their interest in any and all obligatory insurances and other insurances if so required by the Agent;
- (b) whenever the Security Trustee requires, the obligatory insurances name (or be amended to name) the Security Trustee as additional named assured for its rights and interests, warranted no operational interest and with full waiver of rights of subrogation they may have under any applicable law 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) the interest of the Security Trustee as assignee and as loss payee shall be duly endorsed on all slips, cover notes, policies, certificates of entry or other instruments of insurance in respect of the obligatory insurances;
- (d) the obligatory insurances shall name the Security Trustee as loss payee with such directions for payment as the Security Trustee may specify;
- (e) the obligatory insurances shall 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;
- (f) the obligatory insurances shall 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 (f) 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;
- (g) the obligatory insurances shall provide that the obligatory insurances shall be primary without right of contribution from other insurances effected by the Security Trustee or any other Creditor Party;
- (h) the obligatory insurances shall provide that the Security Trustee may make proof of loss if that Borrower fails to do so; and
- (i) the obligatory insurances shall 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 only be effective against the Security Trustee 14 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 7 days before the expiry of any obligatory insurance effected by it:
 - (i) notify the Security Trustee of the brokers, underwriters, insurance companies and any protection and indemnity or war risks association through or with whom that Borrower proposes to renew that obligatory insurance and of the proposed terms and conditions of renewal; and
 - (ii) seek the Security Trustee's approval to the matters referred to in paragraph (i) above;
- (b) at least 3 days before the expiry of any obligatory insurance, renew that obligatory insurance in accordance with the Security Trustee's approval pursuant to paragraph (a); 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 pro forma copies of all cover notes and policies relating to the obligatory insurances which they are to effect or renew and of a letter or letters of undertaking in a form required by the Security Trustee 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 that Borrower under such obligatory insurances any premiums or other amounts due to them or any other person whether in respect of that Ship or otherwise, they waive any lien on the policies, or any sums received under them, which they might have in respect of such premiums or other amounts, and they will not cancel such obligatory insurances by reason of non-payment of such premiums or other amounts (other than in compliance with Clause 13.4(i) (*Further protections for the Creditor Parties*)), 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; letters of undertaking

Each Borrower shall ensure that any protection and indemnity and/or war risks associations in which the Ship owned by that Borrower is entered provides the Security Trustee with:

- (a) a certified copy of the certificate of entry for that Ship;
- (b) a letter or letters of undertaking in such form as may be required by the Security Trustee;
- (c) where required to be issued under the terms of insurance/indemnity provided by 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 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 or, as the case may be, protection and indemnity associations in relation to that Ship (if applicable).

13.8 Deposit of original policies

Each Borrower shall ensure that all policies relating to obligatory insurances effected by it are deposited with the approved brokers through which the insurances are effected or renewed.

13.9 Payment of premiums

Each Borrower shall punctually pay all premiums or other sums payable in respect of the obligatory insurances effected by it and produce all relevant receipts when so required by the Security Trustee.

13.10 Guarantees

Each Borrower shall ensure that any guarantees required by a protection and indemnity or war risks association are promptly issued and remain in full force and effect.

13.11 Compliance with terms of insurances

Each Borrower shall not do or omit to do (nor permit to be done or not to be done) any act or thing which would or might render any obligatory insurance invalid, void, voidable or unenforceable or render any sum payable under an obligatory insurance repayable in whole or in part; and, in particular it shall:

- (a) take all necessary action and comply with all requirements which may from time to time be applicable to the obligatory insurances, and (without limiting the obligation contained in Clause 13.6(c) (Copies of policies; letters of undertaking)) ensure that the obligatory insurances are not made subject to any exclusions or qualifications to which the Security Trustee has not given its prior approval;
- (b) not make any changes relating to the classification or classification society or manager or operator of the Ship owned by it approved by the underwriters of the obligatory insurances;
- (c) if applicable, make (and promptly supply copies to the Agent) of all quarterly or other voyage declarations which may be required by the protection and indemnity risks association in which that Ship is entered to maintain cover for trading to the United States of America and Exclusive Economic Zone (as defined in the United States Oil Pollution Act 1990 or any other applicable legislation) and, if applicable, shall procure that each Approved Manager complies with this requirement; and
- (d) not employ that Ship, nor allow it to be employed, otherwise than in conformity with the terms and conditions of the obligatory insurances, without first obtaining the consent of the insurers and complying with any requirements (as to extra premium or otherwise) which the insurers specify.

13.12 Alteration to terms of insurances

Each Borrower shall neither make nor agree to any alteration to the terms of any obligatory insurance or waive any right relating to any obligatory insurance.

13.13 Settlement of claims

No Borrower shall settle, compromise or abandon any claim under any obligatory insurance for Total Loss or for a Major Casualty, and shall do all things necessary and provide all documents, evidence and information to enable the Security Trustee to collect or recover any moneys which at any time become payable in respect of the obligatory insurances and shall do all things necessary to ensure such collection or recovery is made.

13.14 Provision of copies of communications

Each Borrower shall provide the Security Trustee at the time of each such communication, copies of all written communications between that Borrower and:

- (a) the approved brokers;
- (b) the approved protection and indemnity and/or war risks associations; and
- (c) the approved insurance companies and/or underwriters, which relate directly or indirectly to:
 - (i) that Borrower's obligations relating to the obligatory insurances including, without limitation, all requisite declarations and payments of additional premiums or calls;
 - (ii) any credit arrangements made between that Borrower and any of the persons referred to in paragraphs (a) or (b) relating wholly or partly to the effecting or maintenance of the obligatory insurances; and
 - (iii) a claim under any Insurances.

13.15 Provision of information and further undertakings

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 as to the adequacy of the obligatory insurances effected or proposed to be effected; and/or
- (b) effecting, maintaining or renewing any such insurances as are referred to in Clause 13.16 (*Mortgagee's interest and additional perils insurances*) or dealing with or considering any matters relating to any such insurances,

and that Borrower shall:

- (i) do all things necessary and provide the Agent and the Security Trustee with all documents and information to enable the Security Trustee to collect or recover any moneys in respect of the Insurances which are payable to the Security Trustee pursuant to the Finance Documents; and
- (ii) promptly provide the Agent with full information regarding any Major Casualty in consequence whereof the Ship owned by that Borrower has become or may become a Total Loss and agree to any settlement of such casualty or other accident or damage to that Ship only with the Agent's prior written consent,

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) **Provided that** unless there has been any change to the terms of any obligatory insurances and/or an Event of Default has occurred and is continuing, the Borrowers shall not be obliged to pay any such fees and expenses in respect of more than one report relating to each Ship in each calendar year.

13.16 Mortgagee's interest and additional perils insurances

The Security Trustee shall be entitled from time to time to 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 Majority Lenders may from time to time consider appropriate:

- (a) a mortgagee's interest insurance providing for the indemnification of the Creditor Parties for any losses under or in connection with any Finance Document (in an amount of up to the aggregate of (i) 120 per cent. of the Advance for the relevant Ship and (ii) the principal amount secured by any equal or prior ranking Security Interest on that Ship) 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; and
- (b) a mortgagee's interest additional perils insurance providing for the indemnification of the Creditor Parties 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 in an amount of up to 110 per cent. of the aggregate of (i) the Advance for the relevant Ship and (ii) the principal amount secured by any equal or prior ranking Security Interest on that Ship,

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.

13.17 Review of insurance requirements

The Security Trustee shall be entitled to review the requirements of this Clause 13 (*Insurance*) from time to time in order to take account of any changes in circumstances after the date of

this Agreement which are, in the opinion of the Agent (acting on the instructions of the Majority Lenders), significant and capable of affecting the Borrowers, each Ship and its Insurances (including, without limitation, changes in the availability or the cost of insurance coverage or the risks to which the Borrower owning that Ship may be subject) and the Borrowers shall upon demand fully indemnify the Agent in respect of all fees and other expenses incurred by or for the account of the Agent in appointing an independent marine insurance broker or adviser to conduct such review **Provided that** unless there has been any change to the terms of any Insurances and/or an Event of Default has occurred and is continuing, the Borrowers shall not be obliged to pay any such fees and expenses in respect of more than one review relating to each Ship in each calendar year.

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*) from the date of this Agreement and at all times thereafter during the Security Period except as the Agent, acting with the authorisation of the Majority Lenders, may 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, omit to 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 **Provided that** a Borrower may change the name of its Ship subject to (i) the Borrowers first notifying the Agent of the proposed change of name, (ii) such change being, in the opinion of the Agent, reasonably required, (iii) the requirements of the Ship's Approved Flag in relation to such change being complied with and (iv) the Borrowers and the Security Parties executing and delivering to the Agent and/or the Security Trustee any documents amending and supplementing the Finance Documents in respect of such change as the Agent may require.

14.3 Repair and classification

Each Borrower shall, and shall procure that each Approved Manager shall, keep the Ship owned by that Borrower in a good and safe condition and state of repair, sea and cargo worthy in all respects:

- (a) consistent with first-class ship ownership and management practice;
- (b) so as to maintain the highest class free of overdue recommendations and conditions, with a classification society which is a member of IACS (other than the China Classification Society, the Russian Maritime Registry of Shipping and the Indian Shipping of Register and Polish Register of Shipping) and acceptable to the Agent; and
- (c) so as to comply with all laws and regulations applicable to vessels registered at ports in the applicable Approved Flag State or to vessels trading to any jurisdiction to which that Ship may trade from time to time, including but not limited to the ISM Code and the ISPS Code,

and the Agent shall be given a power of attorney in the form attached as Schedule 6 (*Power of Attorney*) to act on behalf of that Borrower, following the occurrence of an Event of Default which is continuing, in order to, inspect the class records and any files held by the classification society and to require the classification society to provide the Agent or any of its nominees

with any information, document or file, it might request and the classification society shall be fully entitled to rely hereon without any further inquiry.

14.4 Classification society undertaking

Each Borrower shall instruct the classification society referred to in Clause 14.3 (*Repair and classification*) (and use all reasonable efforts to procure that the classification society undertakes with the Security Trustee) in relation to its Ship:

- (a) to send to the Security Trustee, following receipt of a written request from the Security Trustee, certified true copies of all original class records and any other related records held by the classification society in relation to the Ship owned by that Borrower;
- (b) to allow the Security Trustee (or its agents), at any time and from time to time, to inspect the original class and related records of that Ship at the offices of the classification society and to take copies of them;
- (c) to notify the Security Trustee immediately in writing if the classification society:
 - (i) receives notification from that Borrower or any person that that Ship's classification society is to be changed; or
 - (ii) becomes aware of any facts or matters which may result in or have resulted in a change, suspension, discontinuance, withdrawal or expiry of that Ship's class under the rules or terms and conditions of that Borrower's or that Ship's membership of the classification society;
- (d) following receipt of a written request from the Security Trustee:
 - (i) to confirm that that Borrower is not in default of any of its contractual obligations or liabilities to the classification society and, without limiting the foregoing, that it has paid in full all fees or other charges due and payable to the classification society; or
 - (ii) if that Borrower is in default of any of its contractual obligations or liabilities to the classification society, to specify to the Security Trustee in reasonable detail the facts and circumstances of such default, the consequences thereof, and any remedy period agreed or allowed by the classification society.

14.5 Modification

No Borrower shall make any modification or repairs to, or replacement of, its Ship or equipment installed on it which would or might materially alter the structure, type or performance characteristics of that Ship or materially reduce its value.

14.6 Removal of parts

No Borrower shall remove any material part of its Ship, 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 that Ship the property of that Borrower and subject to the security constituted by the relevant Mortgage **Provided that** a Borrower may install equipment

owned by a third party if the equipment can be removed without any risk of damage to the Ship owned by it.

14.7 Surveys

Each Borrower shall submit the Ship owned by it regularly to all periodical or other surveys which may be required for classification purposes and, if so required by the Security Trustee provide the Security Trustee, with copies of all survey reports.

14.8 Inspection

Each Borrower shall permit the Security Trustee (by surveyors or other persons appointed by it for that purpose) to board the Ship owned by that Borrower at all reasonable times, to inspect its condition or to satisfy themselves about proposed or executed repairs and shall afford all proper facilities for such inspections at the Borrowers' expense, and if the inspector or surveyor appointed by the Security Trustee under this Clause is of the opinion that there are any technical, commercial or operational actions being undertaken or omitted to be undertaken by the Borrower which is the owner of that Ship or an Approved Manager which adversely affect the operation or value of that Ship, the Borrowers shall forthwith (at their expense) on the Security Trustee's demand remedy such action or inaction and provide the Security Trustee with evidence that it has taken such remedial action.

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 that Ship, the Earnings or the Insurances; and
- (c) all other outgoings whatsoever in respect of that Ship, the Earnings or the Insurances,

and, forthwith upon receiving notice of the arrest of that Ship, or of its detention in exercise or purported exercise of any lien or claim, that Borrower shall procure its release by providing bail or otherwise as the circumstances may require.

14.10 Compliance with laws etc.

Each Borrower shall:

- (a) comply, or procure compliance with the ISM Code, the ISPS Code, all Environmental Laws and all other laws or regulations relating to the Ship owned by it, its ownership, operation and management or to the business of that Borrower;
- (b) not employ the Ship owned by it nor allow its employment in any manner contrary to any law or regulation in any relevant jurisdiction including but not limited to the ISM Code and the ISPS Code; and
- (c) in the event of hostilities in any part of the world (whether war is declared or not), not cause or permit that Ship to enter or trade to any zone which is declared a war zone by any government or by that Ship's war risks insurers unless that Borrower:

- (i) notifies that Ship's war risk insurers of the relevant trade; and
- (ii) has (at its expense) first effected any special, additional or modified insurance cover which that Ship's war risk insurers may require,

and that Borrower shall notify and provide evidence of such insurance cover to the Agent promptly thereafter.

14.11 Provision of information

Each Borrower shall promptly provide the Security Trustee with any information which it requests regarding:

- (a) the Ship owned by it, its employment, position and engagements;
- (b) the Earnings and payments and amounts due to the 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; and
- (e) its compliance, an Approved Manager's compliance and the compliance of that Ship with the ISM Code and the ISPS Code,

and, upon the Security Trustee's request, provide copies of any current charter relating to that Ship, of any current charter guarantee and copies of that Borrower's or an Approved Manager's Document of Compliance, Safety Management Certificate and the ISSC.

14.12 Notification of certain events

Each Borrower shall:

- (a) before entering into:
 - (i) any demise charter for any period in respect of its Ship; or
 - (ii) any other Assignable Charter,

notify the Agent and provide copies of any draft or recapitulation message in respect of such charter relating to its Ship and, if applicable, any draft charter guarantee and that Borrower shall be entitled to enter into such charter **Provided that:**

- (A) that Borrower executes in favour of the Security Trustee a specific assignment of all its rights, title and interest in and to such charter and any charter guarantee in the form of a Charterparty Assignment;
- (B) that Borrower uses all reasonable endeavours to obtain the acknowledgement by the relevant charterer and any charter guarantor (1) of the specific assignment of such charter and charter guarantee by executing an acknowledgement substantially in the form included in the relevant Charterparty Assignment and (2) that the Mortgage over that Ship has been registered prior to the entry into such charter and that the relevant Borrower shall use all reasonable efforts to procure that the charterer provides to the

Security Trustee a letter of undertaking pursuant to which the charterer subordinates all its claims against the relevant Borrower and its Ship to the claims of the Creditor Parties under or in connection with the Finance Documents in the Agreed Form;

- (C) in the case where such charter is a demise charter the charterer undertakes to the Security Trustee (1) to comply with all of that Borrower's undertakings with regard to the employment, insurances, operation, repairs and maintenance of its Ship contained in this Agreement, the Mortgage and the General Assignment in relation to that Ship (2) to provide an assignment of its interest in the insurances of the Ship in the Agreed Form;
- (D) the relevant Borrower provides certified true and complete copies of the charter relating to its Ship and of any current charter guarantee, if any, immediately after its execution;
- (E) the Agent's receipt of a copy of the charter and its failure or neglect to act, delay or acquiescence in connection with the relevant Borrower's entering into such charter shall not in any way constitute an acceptance by the Agent of whether or not the Earnings under the charter are sufficient to meet the debt service requirements under this Agreement nor shall it in any way affect the Agent's or the Security Trustee's entitlement to exercise its rights under the Finance Documents pursuant to Clause 19 (*Events of Default*) upon the occurrence of an Event of Default arising as a result of an act or omission of the charterer; and
- (F) the Borrower delivers to the Agent such other documents equivalent to those referred to at paragraphs 2, 3, 4, 5, 7, 8 and 9 of Schedule 3 (*Conditions Precedent Documents*), Part A as the Agent may require; and

(b) immediately notify the Security Trustee by letter, of:

- (i) its entry into any agreement or arrangement for the postponement of any date on which any Earnings are due, 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;
- (ii) its entry 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, three months;
- (iii) any casualty which is or is likely to be or to become a Major Casualty;
- (iv) 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;
- (v) any requirement, condition or recommendation made by any insurer or classification society or by any competent authority which is not complied with in accordance with its terms;
- (vi) any arrest or detention of that Ship, any exercise or purported exercise of any lien on that Ship or its Earnings or any requisition of that Ship for hire;
- (vii) any intended dry docking of that Ship;

- (viii) any Environmental Claim made against that Borrower or in connection with that Ship, or any Environmental Incident;
- (ix) any claim for breach of the ISM Code or the ISPS Code being made against that Borrower, any Approved Manager or otherwise in connection with that Ship;
- (x) its intention to de-activate or lay up its Ship; or
- (xi) 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, the 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) enter into any charter in relation to that Ship under which more than two months' hire (or the equivalent) is payable in advance;
- (b) charter that Ship otherwise than on bona fide arm's length terms at the time when that Ship is fixed;
- (c) appoint a manager of that Ship other than an Approved Manager or agree to any alteration to the terms of that Approved Manager's appointment; or
- (d) put that Ship into the possession of any person for the purpose of work being done upon it in an amount exceeding or likely to exceed \$750,000 (or the equivalent in any other currency) unless 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 its Earnings for the cost of such work or for any other reason.

14.14 Notice of Mortgage

Each Borrower shall keep the Mortgage relative to its Ship registered against that Ship as a valid first preferred or, as the case may be, priority 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 enter into any agreement or arrangement for the sharing of any Earnings (other than (i) any profit sharing agreement with a charterer which takes effect above an agreed minimum charter hire rate payable to the relevant Borrower under a charter to which that Borrower is a party and (ii) any pool agreement, in either case, on bona fide arm's length terms).

14.16 ISPS Code

Each Borrower shall comply with the ISPS Code and in particular, without limitation, shall:

- (a) procure that the Ship owned by it and the company responsible for that Ship's compliance with the ISPS Code comply with the ISPS Code; and
- (b) maintain for that Ship an ISSC; and
- (c) notify the Agent immediately in writing of any actual or threatened withdrawal, suspension, cancellation or modification of the ISSC.

14.17 Green Passport and green scrapping

Each Borrower shall:

- (a) obtain and maintain throughout the Security Period an Inventory of Hazardous Material in respect of the Ship owned by it; and
- (b) provide the Agent with a copy of the Inventory of Hazardous Materials for the Ship and each update to, or amendment of, such Inventory of Hazardous Materials from time to time during the Security Period;
- (c) maintain a safe, sustainable and socially responsible policy with respect to the dismantling of that Ship and that Ship being taken out of service;
- (d) ensure that, if during the Security Period, that Ship is sold for scrapping or sold to an intermediary with the intention of being scrapped, the Ship is recycled at a recycling yard which conducts its recycling business in a socially and environmentally responsible manner, in accordance with the provisions of (if applicable):
 - (i) the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships 2009 in relation to non-EU flagged vessels;
 - (ii) the International Maritime Organisation's Guidelines for the development of the Inventory of Hazardous Materials (Resolution MEPC.269(68)) in relation to non-EU flagged vessels;
 - (iii) Regulation (EU) No. 127/2013 adopted by the EU Parliament and the Council of the European Union on 20 November 2013 in relation to EU flagged vessels;
 - (iv) any other applicable laws or regulations relating to ship scrapping or ship recycling; and
- (e) comply with Annex VI or any replacement of Annex VI and shall in particular, without limitation:
 - (i) procure that that Ship's master and crew are familiar with, and that that Ship complied with, Annex VI;
 - (ii) maintain for that Ship throughout the Security Period a valid and current IAPPC and provide a copy to the Agent; and

- (iii) gather and maintain annual SEEMP Part II Data in respect of the Ship owned by it according to the IMO Data Collection System and provide such annual data to the Agent latest by 30th June of the year following the year which such data collection applies to.

14.18 Sustainability reporting

Regarding the annual emissions in respect of a Ship for the preceding calendar year as provided to the IMO according to the IMO Data Collections System, the Borrowers shall at their cost, on or before 30th June in each calendar year, supply or procure the supply by that Ship's 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 regarding that Lender's portfolio climate alignment, including, without limitation, the sustainability report issued and published by the relevant Borrower in the respective applicable version as required by the IMO guidelines, all ship fuel oil consumption data required to be collected and reported in accordance with Regulation 22A of Annex VI and any Statement of Compliance, in each case relating to each Ship for the preceding calendar year.

15 SECURITY COVER

15.1 Minimum required security cover

Clause 15.2 (*Prepayment; provision of additional security*) applies if the Agent notifies the Borrowers that the Security Cover Ratio is below 135 per cent.

15.2 Prepayment; provision of additional security

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 30 calendar days 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 five calendar days before the Prepayment Date the Borrowers have provided, or ensured that a third party has provided, additional security which, in the opinion of the Majority Lenders, has a net realisable value at least equal to the shortfall and is documented in such terms as the Agent may, with the authorisation of the Majority Lenders, approve or require.

15.3 Valuation of Ships

- (a) The Market Value of a Ship at any date is that shown by a valuation of that Ship issued by an Approved Broker selected and appointed by the Agent, such valuation to be addressed to the Agent and prepared:
 - (i) as at a date not more than 30 days previously;
 - (ii) with or without physical inspection of that Ship (as the Agent may require); and
 - (iii) 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.
- (b) If the Borrowers do not agree with the amount of such valuation, they may request, within 14 days after the date on which the Agent notifies the Borrower of such valuation (the "**Request**

Period"), a second valuation of that Ship to be commissioned from any Approved Broker selected by the Borrowers and appointed by the Agent. Such second valuation shall be prepared in accordance with this Clause 15.3 (*Valuation of Ships*) and the Market Value of that Ship in such circumstances shall be the arithmetic mean of both valuations,

Provided that if the Borrowers fail to request a second valuation of a Ship within the Request Period, the Market Value of that Ship shall be that shown in the sole valuation taken by the Agent referred to in paragraph (a) above.

15.4 Value of additional vessel security

The net realisable value of any additional security which is provided under Clause 15.2 (*Prepayment; provision of additional security*) and which consists of a Security Interest over a vessel shall be that shown by a valuation complying with the requirements of Clause 15.3 (*Valuation of Ships*) and additional security in the form of cash in Dollar for Dollar basis.

15.5 Valuations binding

Any valuation under Clauses 15.2 (*Prepayment; provision of additional security*), 15.3 (*Valuation of Ships*) or 15.4 (*Value of additional vessel security*) shall be binding and conclusive as regards the Borrowers, as shall be any valuation which the Majority Lenders make of any additional security which does not consist of or include a Security Interest.

15.6 Provision of information

The Borrowers shall promptly provide the Agent and any Approved Broker or expert acting under Clause 15.3 (*Valuation of Ships*) or 15.4 (*Value of additional vessel security*) with any information which the Agent or that 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 that Approved Broker or the Majority Lenders (or the expert appointed by them) consider prudent.

15.7 Payment of valuation expenses

Without prejudice to the generality of the Borrowers' obligations under Clauses 20.2 (*Costs of negotiation, preparation etc.*), 20.3 (*Costs of variations, amendments, enforcement etc.*) and 21.2 (*Break Costs*), 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 15 (*Security Cover*) **Provided that** so long as no Event of Default has occurred and is continuing, the Borrowers shall not be obliged to pay any such fees and expenses in respect of more than two valuations in respect of each Ship in any calendar year (in addition to the valuations used to determine the Initial Value of each Ship for the purposes of drawdown and any valuation obtained prior to the sale of a Ship for the purpose of calculating the Security Cover Ratio).

15.8 Frequency of valuations

The Borrowers acknowledge and agree that the Agent may commission valuation(s) of any Ship at such times as the Agent (acting on the instructions of the Majority Lenders) shall deem necessary and, in any event, not less than once during each 6-month period of the Security Period.

16 PAYMENTS AND CALCULATIONS

16.1 Currency and method of payments

All payments to be made by the Lenders or by any Borrower under a Finance Document shall be made to the Agent or to the Security Trustee, in the case of an amount payable to it:

- (a) by not later than 11.00 a.m. (New York City time) on the due date;
- (b) in same day Dollar funds settled through the New York Clearing House Interbank Payments System (or in such other Dollar funds and/or settled in such other manner as the Agent shall specify as being customary at the time for the settlement of international transactions of the type contemplated by this Agreement);
- (c) in the case of an amount payable by a Lender to the Agent or by any Borrower to the Agent or any Lender, to the account of the Agent at J.P. Morgan Chase Bank (SWIFT Code [REDACTED] (Account No. [REDACTED] in favour of Hamburg Commercial Bank AG, SWIFT Code [REDACTED]; Reference "[REDACTED]") or to such other account with such other bank as the Agent may from time to time notify to the Borrowers and the other Creditor Parties; and
- (d) in the case of an amount payable to the Security Trustee, to such account as it may from time to time notify to the Borrowers and the other Creditor Parties.

16.2 Payment on non-Business Day

If any payment by 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 (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice); and
 - (ii) subject to paragraph (b) below, without rounding.
- (b) The aggregate amount of any accrued interest, commission or fee which is, or becomes, payable by a Borrower or any Security Party under a Finance Document shall be rounded to 2 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 five Business Days previously; and
- (b) amounts to be applied in satisfying amounts of a particular category which are due to the Lenders generally shall be distributed by the Agent to each Lender pro rata to the amount in that category which is due to it.

16.5 Permitted deductions by Agent

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent may, before making an amount available to a Lender, deduct and withhold from that amount any sum which is then due and payable to the Agent from that Lender under any Finance Document or any sum which the Agent is then entitled under any Finance Document to require that Lender to pay on demand.

16.6 Agent only obliged to pay when monies received

Notwithstanding any other provision of this Agreement or any other Finance Document, the Agent shall not be obliged to make available to any Borrower or any Lender any sum which the Agent is expecting to receive for remittance or distribution to that Borrower 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 a Borrower or a Lender, without first having received that sum, that Borrower or (as the case may be) the Lender concerned shall, on demand:

- (a) refund the sum in full to the Agent; and
- (b) pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding or other loss, liability or expense incurred by the Agent as a result of making the sum available before receiving it.

16.8 Agent may assume receipt

Clause 16.7 (*Refund to Agent of monies not received*) shall not affect any claim which the Agent has under the law of restitution, and applies irrespective of whether the Agent had any form of notice that it had not received the sum which it made available.

16.9 Creditor Party accounts

Each Creditor Party shall maintain accounts showing the amounts owing to it by 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 RECEIPTS

17.1 Normal order of application

Except as any Finance Document may otherwise provide, any sums which are received or recovered by any Creditor Party under or by virtue of any Finance Document shall be applied:

- (a) FIRST: in or towards satisfaction of any amounts then due and payable under the Finance Documents in the following order and proportions:
 - (i) firstly, in or towards satisfaction pro rata of all amounts then due and payable to the Creditor Parties under the Finance Documents (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) other than those amounts referred to at paragraphs (ii) and (iii);
 - (ii) secondly, in or towards satisfaction pro rata of any and all amounts of interest or default interest payable to the Creditor Parties under the Finance Documents; and
 - (iii) thirdly, in or towards satisfaction pro rata of the Loan; and
- (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 either or may become due and payable in the future and, upon those amounts becoming due and payable, in or towards satisfaction of them in accordance with the provisions of Clause 17.1(a) (*Normal order of application*); and
- (c) THIRDLY: any surplus shall be paid to the Borrowers or to any other person appearing to be entitled to it.

17.2 Application by any covered bond Lender

If and to the extent that any Lender includes the Loan and/or a Mortgage in its covered bond register, any enforcement proceeds recovered under any of the Finance Documents and attributable to that Lender under the relevant Finance Document shall, notwithstanding the provisions of Clause 17.1(a) (*Normal order of application*), be applied by it first to the part of

the Loan that corresponds to that Lender's Contribution registered in its covered bond register and thereafter in the following order:

- (a) firstly, in or towards satisfaction of the amounts set out under Clause 17.1(a)(i) (*Normal order of application*);
- (b) secondly, in or towards satisfaction of the amounts set out under Clause 17.1(a)(ii) (*Normal order of application*); and
- (c) thirdly, in or towards satisfaction of any part of the Loan that corresponds to any unregistered part of that Lender's contribution.

17.3 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 17.1 (*Normal order of application*) (but not, for the avoidance of doubt, that set out in Clause 17.2 (*Application by any covered bond Lender*)) either as regards a specified sum or sums or as regards sums in a specified category or categories.

17.4 Notice of variation of order of application

The Agent may give notices under Clause 17.3 (*Variation of order of application*) from time to time; and such a notice may be stated to apply not only to sums which may be received or recovered in the future, but also to any sum which has been received or recovered on or after the third Business Day before the date on which the notice is served.

17.5 Appropriation rights overridden

This Clause 17 (*Application of Receipts*) and any notice which the Agent gives under Clause 17.3 (*Variation of order of application*) shall override any right of appropriation possessed, and any appropriation made, by any Borrower or any Security Party.

18 APPLICATION OF EARNINGS

18.1 Payment of Earnings

- (a) Each Borrower undertakes with each Creditor Party that, throughout the Security Period:
- (b) it shall maintain the Accounts with the Account Bank;
- (c) (subject only to the provisions of the General Assignment to which it is a party) it shall ensure that all Earnings of the Ship owned by it are paid to the Earnings Account for that Ship;
- (d) the Minimum Liquidity Amount and Additional Minimum Liquidity Amount required pursuant to Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*) shall be maintained in the Liquidity Account; and
- (e) the Dry-Docking Reserve Amount in respect of each Ship required pursuant to Clause 11.20 (*Dry Docking Reserve Amount*) shall be built up and maintained in the Dry Docking Reserve Account.

18.2 Monthly retentions

The Borrowers undertake with each Creditor Party to ensure that, on and from the date falling one month after each Drawdown Date and at monthly intervals thereafter during the Security Period, there are transferred in respect of each Advance drawn on that Drawdown Date to the Retention Account out of the Earnings received in the relevant Earnings Account during the preceding month one-third of the amount of the relevant Instalment falling due under Clause 8.1 (*Amount of Instalments*) on the next Repayment Date and the Borrowers irrevocably authorise the Agent to make those transfers (in its sole discretion and without any obligation) if the Borrowers fail to do so.

18.3 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 18.2 (*Monthly retentions*), the Borrowers shall immediately pay the amount of the insufficiency into the Retention Account.

18.4 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 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 the Instalment due on that Repayment Date pursuant to Clause 8.1 (*Amount of Instalments*) in discharge of the Borrowers' liability for that Instalment.

18.5 Interest accrued on the Accounts

Any credit balance on each Account shall bear interest at the rate from time to time offered by the Agent to its customers for Dollar deposits of similar amounts and for periods similar to those for which such balances appear to the Agent likely to remain on that Account.

18.6 Release of accrued interest

Interest accruing under Clause 18.5 (*Interest accrued on the Accounts*) shall be credited to the relevant Account and may be released to a Borrower pursuant to Clause 18.10 (*Restriction on withdrawal*).

18.7 Location of Accounts

Each Borrower shall promptly:

- (a) comply with any requirement of the Agent as to the location or re-location of the Accounts (or any of them); 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.

18.8 Debits for fees, expenses etc.

The Agent shall be entitled (but not obliged) from time to time to debit any Earnings Account without prior notice in order to discharge any amount due and payable under Clauses 20 (*Fees and Expenses*) or 21 (*Indemnities*) to a Creditor Party or payment of which any Creditor Party has become entitled to demand under Clauses 20 (*Fees and Expenses*) or 21 (*Indemnities*).

18.9 Borrowers' obligations unaffected

The provisions of this Clause 18 (*Application of Earnings*) (as distinct from a distribution effected under Clause 18.4 (*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.

18.10 Restriction on withdrawal

During the Security Period no sum may be withdrawn by a Borrower from the Liquidity Account, the Retention Account or the Dry-Docking Reserve Account (other than (i) any sums permitted to be withdrawn pursuant to Clauses 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*) and 11.20 (*Dry Docking Reserve Amount*) and (ii) accrued interest pursuant to Clause 18.6 (*Release of accrued interest*), provided that no Event of Default or Potential Event of Default has occurred), without the prior written consent of the Agent.

The Borrowers may, in any calendar month, after having transferred and/or after having taken into account all amounts due or which will become due to the Retention Account in such calendar month in accordance with Clause 18.2 (*Monthly retentions*), withdraw any surplus (a "Surplus") from the Earnings Accounts as they may think fit for purposes not prohibited by this Agreement and the other Finance Documents Provided always no Event of Default or Potential Event of Default has occurred and/or any breach under Clause 15.1 (*Minimum required security cover*) has occurred in which case any Surplus shall remain on the Earnings Accounts and the Borrowers may only withdraw the Surplus (or any part thereof) with the prior written consent of the Agent (acting upon the instructions of the Majority Lenders) in order to satisfy the documented and properly incurred operating expenses of the Ships.

19 EVENTS OF DEFAULT

19.1 Events of Default

An Event of Default occurs if:

- (a) any Borrower 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 unless:
 - (i) its failure to pay is caused by administrative or technical error or a Disruption Event; and
 - (ii) payment is made within three Business Days; or

- (b) any breach occurs of Clauses 2.3 (*Purpose of Advances*), 9.2 (*Waiver of conditions precedent*), 11.2 (*Title and negative pledge*), 11.3 (*No disposal of assets*), 11.18 (*"Know your customer" checks*), 12.2 (*Maintenance of status*), 12.3 (*Negative undertakings*) or 15.2 (*Prepayment; provision of additional security*); or
- (c) any breach by any Borrower or any Security Party occurs of any provision of a Finance Document (other than a breach covered by paragraphs (a) or (b)) which, in the opinion of the Majority Lenders, is capable of remedy, and such default continues unremedied 20 Business Days after written notice from the Agent requesting action to remedy the same; or
- (d) (subject to any applicable grace period specified in the Finance Documents) any breach by any Borrower or any Security Party occurs of any provision of a Finance Document (other than a breach falling within paragraphs (a), (b) or (c)); or
- (e) any representation, warranty or statement made or repeated by, or by a director or any other authorised representative of, a Borrower or a Security Party in a Finance Document or in a Drawdown Notice or any other notice or document relating to a Finance Document is untrue or misleading when it is made or repeated; or
- (f) any of the following occurs in relation to any Financial Indebtedness of a Relevant Person:
 - (i) any Financial Indebtedness of a Relevant Person is not paid when due; or
 - (ii) any Financial Indebtedness of a Relevant Person becomes due and payable or capable of being declared due and payable prior to its stated maturity date as a consequence of any event of default; 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;

but no Event of Default will occur under this paragraph (f), if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (f)(i) to (v) above is less than \$1,000,000 (or its equivalent in any other currency) in the case of Lomar Shipping; or
- (g) any of the following occurs in relation to a Relevant Person:
 - (i) a Relevant Person becomes, in the opinion of the Majority Lenders, unable to pay its debts as they fall due; or
 - (ii) any assets of a Relevant Person are subject to any form of execution, attachment, arrest, sequestration or distress or any form of freezing order; 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, directors or officers 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 the Borrowers 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 three months after the commencement of the winding up; or
- (viii) an administration notice is given or filed, an application or petition to a court is made or presented or any other step is taken by a creditor of a Relevant Person (other than a holder of Security Interests which together relate to all or substantially all of the assets of a Relevant Person) for the winding up of a Relevant Person or the appointment of a provisional liquidator or administrator in respect of a Relevant Person in any Pertinent Jurisdiction, unless the proposed winding up, appointment of a provisional liquidator or administration is being contested in good faith, on substantial grounds and not with a view to some other insolvency law procedure being implemented instead and either (aa) the application or petition is dismissed or withdrawn within 30 days of being made or presented, or (bb) within 30 days of the administration notice being given or filed, or the other relevant steps being taken, other action is taken which will ensure that there 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 or directors, or of any committee of the board or senior management, of a Relevant Person is held or summoned for the purpose of considering a resolution or proposal to authorise or take any action of a type described in paragraphs (iv) to (ix) or a step preparatory to such action, or (with or without such a meeting) the members, directors or such a committee resolve or agree that such an action or step should be taken or should be taken if certain conditions materialise or fail to materialise; or
- (xi) in a country other than England, any event occurs, any proceedings are opened or commenced or any step is taken which, in the opinion of the Majority Lenders is similar to any of the foregoing; or
- (h) any Borrower or any Security Party ceases or suspends carrying on its business or a part of its business which, in the opinion of the Majority Lenders, is material in the context of this Agreement; or
- (i) 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
- (j) 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 consider material of a Finance Document or any Underlying 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; or
- (k) it appears to the Majority Lenders that, without their prior consent, a Change of Control has occurred or probably has occurred after the date of this Agreement; or
- (l) 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
- (m) the security constituted by a Finance Document is in any way imperilled or in jeopardy; or
- (n) the Borrowers or any Security Party or any other person (other than a Creditor Party) repudiates any of the Finance Documents to which that Borrower or that Security Party or person is a party or evidences an intention to do so; or

- (o) any other event occurs or any other circumstances arise or develop including, without limitation:
- (i) a change in the financial position, state of affairs or prospects of any Borrower or any Security Party; or
 - (ii) any accident or other event involving any Ship or another vessel owned, chartered or operated by a Relevant Person; or
 - (iii) the threat or commencement of legal or administrative action involving a Borrower, a Ship, the Approved Manager or any Security Party; or
 - (iv) the withdrawal of any material license or governmental or regulatory approval in respect of a Ship, a Borrower, the Approved Manager or any Borrower's or an Approved Manager's business (unless such withdrawal can be contested with the effect of suspension and is in fact so contested in good faith by the Borrowers or an Approved Manager),

which constitutes a Material Adverse Change.

19.2 Actions following an Event of Default

On, or at any time after, the occurrence of an Event of Default:

- (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 of the other obligations of each Lender to the Borrowers under this Agreement are cancelled; and/or
 - (ii) serve on the Borrowers a notice stating that all or part of the Loan together with accrued interest and all other amounts accrued or owing under this Agreement are immediately due and payable or are due and payable on demand; and/or
 - (iii) take any other action which, as a result of the Event of Default or any notice served under paragraph (i) or (ii), the Agent and/or the Lenders are entitled to take under any Finance Document or any applicable law; and/or
- (b) the Security Trustee may, and if so instructed by the Agent, acting with the authorisation of the Majority Lenders, the Security Trustee shall take any action which, as a result of the Event of Default or any notice served under paragraph (a)(i) or (a)(ii), the Security Trustee, the Agent, the Mandated Lead Arranger and/or the 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 Clause 19.2(a)(i) (*Actions following an Event of Default*), the Commitments and all other obligations of each Lender to the Borrowers under this Agreement shall be cancelled.

19.4 Acceleration of Loan

On the service of a notice under Clause 19.2(a)(ii) (*Actions following an Event of Default*), all or, as the case may be, the part of the Loan specified in the notice together with 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 Clauses 19.2(a)(i) (*Actions following an Event of Default*) or 19.2(a)(ii) (*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 Clause 19.2 (*Actions following an Event of Default*) if no such notice is served or simultaneously with or at any time after the service of both or either of such notices.

19.6 Notification of Creditor Parties and Security Parties

The Agent shall send to each 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 any Borrower or any Security Party with any form of claim or defence.

19.7 Creditor Party rights unimpaired

Nothing in this Clause shall be taken to impair or restrict the exercise of any right given to individual Lenders under a Finance Document or the general law; and, in particular, this Clause is without prejudice to Clause 3.1 (*Interests several*).

19.8 Exclusion of Creditor Party liability

No Creditor Party, and no receiver or manager appointed by the Security Trustee, shall have any liability to a Borrower or a Security Party:

- (a) for any loss caused by an exercise of rights under, or enforcement of a Security Interest created by, a Finance Document or by any failure or delay to exercise such a right or to enforce such a Security Interest; or
- (b) as mortgagee in possession or otherwise, for any income or principal amount which might have been produced by or realised from any asset comprised in such a Security Interest or for any reduction (however caused) in the value of such an asset,

except that this does not exempt a Creditor Party or a receiver or manager from liability for losses shown to have been directly and mainly caused by the dishonesty or the wilful misconduct of such Creditor Party's own officers and employees or (as the case may be) such receiver's or manager's own partners or employees.

19.9 Relevant Persons

In this Clause 19 (*Events of Default*), a "**Relevant Person**" means a Borrower, a Security Party, and any company which is a subsidiary of a Borrower or a Security Party or of which a Borrower

is a direct subsidiary; but excluding any company which is dormant and the value of whose gross assets is \$50,000 or less.

19.10 Interpretation

In Clause 19.1(f) (*Events of Default*) references to an event of default or a termination event include any event, howsoever described, which is similar to an event of default in a facility agreement or a termination event in a finance lease; and in Clause 19.1(g) (*Events of Default*) "petition" includes an application.

20 FEES AND EXPENSES

20.1 Structuring and commitment fees

The Borrowers shall pay to the Agent:

- (a) a non-refundable structuring fee, at the rate of 1.00 per cent. of the amount of the Total Commitments actually drawn on each Drawdown Date, payable on the relevant Drawdown Date on which such amount is drawn, for distribution among the Lenders pro rata to their Commitments; and
- (b) a non-refundable commitment fee, at the rate of 1.00 per cent. per annum on the undrawn or uncanceled amount of the Total Commitments, payable quarterly in arrears for distribution among the Lenders pro rata to their Commitments, during the period from (and including) the date of this Agreement to the earlier of (i) the last Drawdown Date to occur under this Agreement and (ii) the last day of the Availability Period (and on the last day of such period).

20.2 Costs of negotiation, preparation etc.

The Borrowers shall pay to the Agent on its demand the amount of all legal and other expenses reasonably 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.

20.3 Costs of variations, amendments, enforcement etc.

The Borrowers shall pay to the Agent, on the Agent's demand, for the account of the Creditor Party concerned, the amount of all legal and other expenses (reasonably, other than in respect of paragraph (d) below) incurred by a Creditor Party in connection with:

- (a) the response to, or the evaluation, negotiation or implementation of, any amendment or supplement (or any proposal for such an amendment or supplement):
 - (i) requested (or, in the case of a proposal, made) by or on behalf of the Borrowers and relating to a Finance Document or any other Pertinent Document; or
 - (ii) subject to paragraph (b) of Clause 20.4 (*RFR transition costs*), which is required 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) any consent, waiver or suspension of rights by the Lenders, the Majority Lenders or the Creditor Party concerned or any proposal for any of the foregoing requested (or, in the case of

a proposal, made) by or on behalf of the Borrowers under or in connection with a Finance Document or any other Pertinent Document;

- (c) the valuation of any security provided or offered under and pursuant to Clause 15 (*Security Cover*) or any other matter relating to such security; or
- (d) any step taken by the Lender concerned with a view to the preservation, protection, exercise or enforcement of any rights or Security Interest created by a Finance Document or for any similar purpose including, without limitation, any proceedings to recover or retain proceeds of enforcement or any other proceedings following enforcement proceedings until the date all outstanding indebtedness to the Creditor Parties under the Finance Documents and any other Pertinent Document is repaid in full.

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.

20.4 RFR 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 Compounded Rate Benchmark Terms Supplement or Compounding Methodology Supplement; or
- (b) any amendment, waiver or consent relating to:
 - (i) any Compounded Rate Benchmark Terms Supplement or Compounding Methodology Supplement; or
 - (ii) any change arising as a result of an amendment required pursuant to any of Clause 5.6 (*Cost of funds*) or 27.4 (*Changes to reference rates*), including without limitation any costs relating to amendments to the Finance Documents and/or any registration requirements.

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 5.6 (*Cost of funds*) or 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 claims, expenses, liabilities and losses resulting from any failure or delay by the Borrowers to pay such 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 the 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) an Advance not being borrowed on the date specified in the relevant Drawdown Notice for any reason other than a default by the Lender claiming the indemnity after the relevant Drawdown Notice has been served in accordance with the provisions of this Agreement;
- (b) the receipt or recovery of all or any part of the Loan or an overdue sum otherwise than on the last day of an Interest Period or other relevant period;
- (c) any failure (for whatever reason) by the Borrowers (or any of them) 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 7 (*Default Interest*)) including but not limited to any costs and expenses of enforcing any Security Interests created by the Finance Documents and any claims, liabilities and losses which may be brought against, or incurred by, a Creditor Party when enforcing any Security Interests created by the Finance Documents; and
- (d) the occurrence and/or continuance of an Event of Default or a Potential Event of Default and/or the acceleration of repayment of the Loan under Clause 19 (*Events of Default*).

21.2 Break Costs

If a Lender (the "**Notifying Lender**") notifies the Agent that as a consequence of receipt or recovery of all or any part of the Loan (a "**Payment**") on a day other than the last day of an Interest Period applicable to the sum received or recovered the Notifying Lender has or will, with effect from a specified date, incur Break Costs:

- (a) the Agent shall promptly notify the Borrowers of a notice it receives from a Notifying Lender under this Clause 21.2 (*Break Costs*);

- (b) the Borrowers shall, within five Business Days of the Agent's demand, pay to the Agent for the account of the Notifying Lender the amount of such Break Costs; and
- (c) the Notifying Lender shall, as soon as reasonably practicable, following a request by the Borrowers, provide a certificate confirming the amount of the Notifying Lender's Break Costs for the Interest Period in which they accrue, such certificate to be, in the absence of manifest error, conclusive and binding on the Borrowers.

In this Clause 21.2 (*Break Costs*), "**Break Costs**" means the amount specified as such in the Benchmark Terms

21.3 Other breakage costs

Without limiting its generality, Clause 21.1 (*Indemnities regarding borrowing and repayment of the Loan*) covers any claim, expense, liability or loss, including (without limitation) a loss of a prospective profit, incurred by a Lender in borrowing, liquidating or re-employing deposits from third parties acquired, contracted for or arranged to fund, effect 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) other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the gross negligence or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.4 Miscellaneous indemnities

The Borrowers shall fully indemnify each Creditor Party severally on their respective demands, without prejudice to any of their other rights under any of the Finance Documents, in respect of all claims, expenses, liabilities and losses which may be made or brought against or sustained or incurred by a Creditor Party, in any country, as a result of or in connection with:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with any Finance Document by the Agent, the Security Trustee or any other Creditor Party or by any receiver appointed under a Finance Document;
- (b) investigating any event which the Creditor Party concerned reasonably believes constitutes an Event of Default or Potential Event of Default;
- (c) acting or relying on any notice, request or instruction which the Creditor Party concerned reasonably believes to be genuine, correct and appropriately authorised;
- (d) any insurance arranged by any Creditor Party in relation to any Ship and/or that Creditor Party's own risk by way of taking out any obligatory insurances or port risk, crew liability or any other type of insurance (as may it in its sole discretion determine) on its own account and/or in its own name; or
- (e) any other Pertinent Matter,

other than claims, expenses, liabilities and losses which are shown to have been directly and mainly caused by the dishonesty, gross negligence or wilful misconduct of the officers or employees of the Creditor Party concerned.

21.5 Environmental Indemnity

Without prejudice to the generality of Clause 21.4 (*Miscellaneous indemnities*), this Clause 21.5 (*Environmental Indemnity*) covers any claims, demands, proceedings, liabilities, taxes, losses, liabilities or expenses of every kind 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 or the ISPS Code, any Environmental Law.

21.6 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, award or judgment relating to a Finance Document (a "**Sum**") 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, filing 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, judgment or award from any court or other tribunal in relation to any litigation or arbitration proceedings; or
- (c) enforcing any such order, judgment or award,

the Borrowers shall as an independent obligation, within three Business Days of demand, indemnify the Creditor Party to whom that Sum is due against any cost, loss or liability arising when the payment actually received by that Creditor Party is converted at the available rate of exchange back into the Contractual Currency including any discrepancy between (A) the rate of exchange actually used to convert the Sum from the Payment Currency into the Contractual Currency and (B) the available rate of exchange.

In this Clause 21.6 (*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 to purchase the Contractual Currency with the Payment Currency.

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

If any Creditor Party receives any Sum in a currency other than the Contractual Currency, the Borrowers shall indemnify in full the Creditor Party concerned against any cost, loss or liability arising directly or indirectly from any conversion of such Sum to the Contractual Currency.

This Clause 21.6 (*Currency indemnity*) creates a separate liability of that 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.

21.7 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 21 (*Indemnities*) and which indicates (without necessarily specifying 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.

21.8 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.

22 TAX GROSS-UP AND INDEMNITIES

22.1 Definitions

In this Agreement:

"Borrower DTTP Filing" means an HM Revenue & Customs' Form DTTP2 duly completed and filed by the relevant Borrower, which:

- (a) where it relates to a Treaty Lender that is listed in Schedule 1 (*Lenders and Commitments*), contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name, is filed with HM Revenue & Customs within 30 days of the date of this Agreement; or
- (b) where it relates to a Treaty Lender that is a Transferee Lender, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the documentation which it executes on becoming a Party as a Transferee Lender, is filed with HM Revenue & Customs within 30 days of that date.

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

"Qualifying Lender" means:

- (a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
 - (i) a Lender:
 - (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or
 - (B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
 - (ii) a Lender which is:

- (A) a company resident in the United Kingdom for United Kingdom tax purposes;
- (B) a partnership each member of which is:
 - (1) a company so resident in the United Kingdom; or
 - (2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;
- (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
- (iii) a Treaty Lender; or
- (b) a Lender which is a building society (as defined for the purposes of section 880 of the ITA) making an advance under a Finance Document.

"Tax Confirmation" means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

- (a) a company resident in the United Kingdom for United Kingdom tax purposes;
- (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or
 - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
- (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

"Tax Credit" means a credit against, relief or remission for, or repayment of, any Tax.

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

"Tax Payment" means either the increase in a payment made by an Obligor to a Creditor Party under Clause 22.2 (*Tax gross-up*) or a payment under Clause 22.3 (*Tax indemnity*).

"Treaty Lender" means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty;
- (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected; and
- (c) meets all other conditions in the Treaty for full exemption from United Kingdom taxation on interest which relate to the Lender (including its tax or other status, the manner in which or the period for which it holds any rights under this Agreement, the reasons or purposes for its acquisition of such rights and the nature of any arrangements by which it disposes of or otherwise turns to account such rights).

"Treaty State" means a jurisdiction having a double taxation agreement (a "Treaty") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

"UK Non-Bank Lender" means a Lender which is a Transferee Lender and which gives a Tax Confirmation in the documentation which it executes on becoming a Party as a Lender.

Unless a contrary indication appears, in this Clause 22 (*Tax Gross-Up and Indemnities*) a reference to **"determines"** or **"determined"** means a determination made in the absolute discretion of the person making the determination.

22.2 Tax gross-up

- (a) Each Borrower shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) Upon becoming aware that it is required to make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction), the relevant Borrower shall notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify any affected Borrower.
- (c) If a Tax Deduction is required by law to be made by a Borrower, the amount of the payment due from that Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:
 - (i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or
 - (ii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of "Qualifying Lender" and:

- (A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a "**Direction**") under section 931 of the ITA which relates to the payment and that Lender has received from the Borrower making the payment a certified copy of that Direction; and
 - (B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or
- (iii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of "Qualifying Lender" and:
 - (A) the relevant Lender has not given a Tax Confirmation to each of the Borrowers; and
 - (B) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Borrowers, on the basis that the Tax Confirmation would have enabled the Borrowers to each have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or
- (iv) the relevant Lender is a Treaty Lender and the Borrower making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) or (h) (as applicable) below.
- (e) If a Borrower is required to make a Tax Deduction, that Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower making that Tax Deduction shall deliver to the Agent for the Creditor Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Creditor Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g)
 - (i) Subject to paragraph (ii) below, a Treaty Lender and each Borrower which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Borrower to obtain authorisation to make that payment without a Tax Deduction.
 - (ii)
 - (A) A Treaty Lender that is listed in Schedule 1 (*Lenders and Commitments*), and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Schedule 1 (*Lenders and Commitments*); and
 - (B) a Treaty Lender that is a Transferee Lender and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its

jurisdiction of tax residence in the documentation which it executes on becoming a Party as a Lender,

and, having done so, that Lender shall be under no obligation pursuant to paragraph (i) above.

(h) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii) above and:

(i) a Borrower making a payment to that Lender has not made a Borrower DTTP Filing in respect of that Lender; or

(ii) a Borrower making a payment to that Lender has made a Borrower DTTP Filing in respect of that Lender but:

(A) that Borrower DTTP Filing has been rejected by HM Revenue & Customs;

(B) HM Revenue & Customs has not given the Borrower authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing; or

(C) HM Revenue & Customs has given the Borrower authority to make payments to that Lender without a Tax Deduction but such authority has subsequently been revoked or expired,

and in each case, the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for that Borrower to obtain authorisation to make that payment without a Tax Deduction.

(i) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (g)(ii) above, no Borrower shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment(s) unless the Lender otherwise agrees.

(j) A Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of that Borrower DTTP Filing to the Agent for delivery to the relevant Lender.

(k) A UK Non-Bank Lender shall promptly notify the Parent and the Agent if there is any change in the position from that set out in the Tax Confirmation.

22.3 Tax indemnity

(a) The Borrowers shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

(b) Paragraph (a) above shall not apply:

(i) with respect to any Tax assessed on a Creditor Party:

- (A) under the law of the jurisdiction in which that Creditor Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Creditor Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Creditor Party's Lending Office is located in respect of amounts received or receivable in that jurisdiction,
 - if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Creditor Party; or
- (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 22.2 (*Tax gross-up*); or
 - (B) would have been compensated for by an increased payment under Clause 22.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 22.2 (*Tax gross-up*) applied; or
 - (C) relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Parent.
- (d) A Protected Party shall, on receiving a payment from a Borrower under this Clause 22.3 (*Tax indemnity*), notify the Agent.

22.4 Tax Credit

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

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Creditor Party has obtained and utilised that Tax Credit,

the Creditor Party shall pay an amount to the relevant Borrower which that Creditor Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

22.5 Lender status confirmation

Each Transferee Lender shall indicate, in the documentation which it executes on becoming a Party as a Lender, and for the benefit of the Agent and without liability to any Borrower, which of the following categories it falls in:

- (a) not a Qualifying Lender;
- (b) a Qualifying Lender (other than a Treaty Lender); or
- (c) a Treaty Lender.

If such a Lender fails to indicate its status in accordance with this Clause 22.5 (*Lender status confirmation*) then that Lender shall be treated for the purposes of this Agreement (including by each Borrower) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Borrowers). For the avoidance of doubt, the documentation which a Lender executes on becoming a Party as a Lender shall not be invalidated by any failure of a Lender to comply with this Clause 22.5 (*Lender status confirmation*).

22.6 Stamp taxes

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

22.7 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Creditor Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Creditor Party to any Party under a Finance Document and such Creditor Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Creditor Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Creditor Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Creditor Party (the "**Supplier**") to any other Creditor Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Creditor Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Creditor Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Creditor Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this Clause 22.7 (VAT) to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Creditor Party to any Party under a Finance Document, if reasonably requested by such Creditor Party, that Party must promptly provide such Creditor Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Creditor Party's VAT reporting requirements in relation to such supply.

22.8 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) 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 to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

22.9 FATCA Deduction

Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Parent 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:

- (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 perform, maintain or give effect to any of its obligations under this Agreement in the manner contemplated by this Agreement or to fund or maintain the Loan.

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 be immediately cancelled; 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 on the last day of the then current Interest Period in accordance with Clauses 8.9 (*Amounts payable on prepayment*) and 8.10(a) (*Application of partial prepayment*), without premium or penalty.

24 INCREASED COSTS

24.1 Increased costs

This Clause 24 (*Increased costs*) applies if a Lender (the "**Notifying Lender**") notifies the Agent that the Notifying Lender considers that as a result of:

- (a) the introduction or alteration after the date of this Agreement of a law or an alteration after the date of this Agreement in the manner in which a law is interpreted or applied (disregarding

any effect which relates to the application to payments under this Agreement of a tax on the Lender's overall net income); or

- (b) complying with any regulation (including any which relates to capital adequacy or liquidity controls or which affects the manner in which the Notifying Lender allocates capital resources to its obligations under this Agreement) which is introduced, or altered, or the interpretation or application of which is altered, after the date of this Agreement; or
- (c) the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (the "**Basel II Accord**") or any other law or regulation implementing the Basel II Accord or any of the approaches provided for and allowed to be used by banks under or in connection with the Basel II Accord, in each case when compared to the cost of complying with such regulations as determined by the Agent (or parent company of it) on the date of this Agreement (whether such implementation, application or compliance is by a government, regulator, supervisory authority, the Notifying Lender or its holding company); or
- (d) the implementation or application of or compliance with Basel III or any law or regulation which implements or applies Basel III (regardless of the date on which it is enacted, adopted or issued and regardless of whether any such implementation, application or compliance is by a government, regulator, the Notifying Lender or any of its affiliates),

the Notifying Lender (or a parent company of it) has incurred or will incur an "**increased cost**".

24.2 Meaning of "increased cost"

In this Clause 24 (*Increased costs*), "**increased cost**" means, in relation to a Notifying Lender:

- (a) an additional or increased cost incurred as a result of, or in connection with, the Notifying Lender having entered into, or being a party to, this Agreement or a Transfer Certificate, of funding or maintaining its Commitment or Contribution or performing its obligations under this Agreement, or of having outstanding all or any part of its Contribution or other unpaid sums;
- (b) a reduction in the amount of any payment to the Notifying Lender under this Agreement or in the effective return which such a payment represents to the Notifying Lender or on its capital;
- (c) an additional or increased cost of funding all or maintaining all or any of the advances comprised in a class of advances formed by or including the Notifying Lender's Contribution or (as the case may require) the proportion of that cost attributable to the Contribution; or
- (d) a liability to make a payment, or a return foregone, which is calculated by reference to any amounts received or receivable by the Notifying Lender under this Agreement,

but a cost shall not be an increased cost to the extent the cost is:

- (i) attributable to a Tax Deduction required by law to be made by a Borrower;
- (ii) attributable to a FATCA Deduction required to be made by any Party;
- (iii) attributable to a change in the rate of tax on the overall net income of the Notifying Lender (or a parent company of it) or;

- (iv) compensated for by Clause 22.3 (Tax indemnity) (or would have been compensated for under Clause 22.3 (Tax indemnity) but was not so compensated solely because any of the exclusions in paragraph 22.3(b) (Tax indemnity) applied); or
- (v) is an item covered by the indemnity for tax in Clause 21.1 (Indemnities regarding borrowing and repayment of the Loan) or by Clause 22 (*Tax Gross-Up and Indemnities*).

In this Clause 24.2 (*Meaning of "increased cost"*) reference to a "Tax Deduction" has the same meaning given to the term in Clause 22.1 (Definitions).

For the purposes of this Clause 24.2 (*Meaning of "increased cost"*) the Notifying Lender may in good faith allocate or spread costs and/or losses among its assets and liabilities (or any class of its assets and liabilities) on such basis as it considers appropriate.

24.3 Notification to Borrowers of claim for increased costs

The Agent shall promptly notify the Borrowers and the Security Parties of the notice which the Agent received from the Notifying Lender under Clause 24.1 (*Increased costs*).

24.4 Payment of increased costs

The Borrowers shall pay to the Agent, within 5 days of 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 14 days' notice of their intention to prepay the Notifying Lender's Contribution at the end of an Interest Period.

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 to the Borrowers but with prior notice to the Agent:

- (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 assign or transfer any of its rights, liabilities or obligations under any Finance Document.

26.2 Transfer by a Lender

Subject to Clause 26.4 (*Effective Date of Transfer Certificate*), a Lender (the "Transferor Lender") may at any time, cause:

- (a) its rights in respect of all or part of its Contribution; or

- (b) its obligations in respect of all or part of its Commitment; or
- (c) a combination of (a) and (b); or
- (d) all or part of its credit risk under this Agreement and the other Finance Documents,

to be syndicated to or, (in the case of its rights) assigned, pledged or transferred to, or (in the case of its obligations) pledged or assumed by, any other bank or financial institution or to a trust, fund or other entity, provided that such other entity is regularly engaged in, or established for the purpose of, making, purchasing or investing in 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.

The prior consent of the Borrowers (such consent not to be unreasonably withheld, delayed or conditioned) is required for a syndication or, (in the case of its rights) assignment, pledge or transfer, or (in the case of its obligations) pledge or assumption pursuant to this Clause 26.2 (*Transfer by a Lender*), unless:

- (i) the Transferee Lender is another Lender or an affiliate or a company or financial institution which is in the same ownership or control as one of the Lenders; or
- (ii) the Transferee Lender is a member of the European System of Central Banks, the KfW Development Bank, the European Investment Bank and the other development banks included within the meaning of Section 5 para. 1 no.2 of the German Corporate Income Tax Act; or
- (iii) an Event of Default has occurred at the relevant time.

With respect to the Transferor Lender's notice requesting the Borrowers' consent under this Clause 26.2 (*Transfer by a Lender*), such consent shall be deemed granted if the Borrowers have failed to object to such request by written notice to the Transferor Lender within 5 Business Days from the Borrowers' receipt of the Transferor Lender's notice.

26.3 Transfer Certificate, delivery and notification

As soon as reasonably practicable after a Transfer Certificate is delivered to the Agent, it shall (unless it has reason to believe that the Transfer Certificate may be defective):

- (a) sign the Transfer Certificate on behalf of itself, the Borrowers, the Security Parties, 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.

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

Except as provided in Clause 26.17 (*Security over Lenders' rights*), 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

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 successor shall become a Lender with the same Commitment and Contribution as were held by the predecessor Lender only upon receipt by the Agent of a notice to this effect and evidence that all rights and obligations have automatically and by operation of law vested in the successor by virtue of the merger, de-merger or other reorganisation, without the need for the execution and delivery of a Transfer Certificate; the Agent shall in that event inform the Borrowers and the Security Trustee accordingly.

26.7 Effect of Transfer Certificate

A Transfer Certificate takes effect in accordance with English law as follows:

- (a) to the extent specified in the Transfer Certificate, all rights and interests (present, future or contingent) which the Transferor Lender has under or by virtue of the Finance Documents are assigned to the Transferee Lender absolutely, free of any defects in the Transferor Lender's title and of any rights or equities which any Borrower or any Security Party had against the Transferor Lender;
- (b) the Transferor Lender's Commitment is discharged to the extent specified in the Transfer Certificate;
- (c) the Transferee Lender becomes a Lender with the Contribution previously held by the Transferor Lender and a Commitment of an amount specified in the Transfer Certificate;
- (d) the Transferee Lender becomes bound by all the provisions of the Finance Documents which are applicable to the Lenders generally, including those about pro-rata sharing and the exclusion of liability on the part of, and the indemnification of, the Agent and the Security Trustee and, to the extent that the Transferee Lender becomes bound by those provisions (other than those relating to exclusion of liability), the Transferor Lender ceases to be bound by them;
- (e) any part of the Loan which the Transferee Lender advances after the Transfer Certificate's effective date ranks in point of priority and security in the same way as it would have ranked had it been advanced by the transferor, assuming that any defects in the transferor's title and any rights or equities of any Borrower or any Security Party against the Transferor Lender had not existed;

- (f) the Transferee Lender becomes entitled to all the rights under the Finance Documents which are applicable to the Lenders generally, including but not limited to those relating to the Majority Lenders and those under Clause 5.5 (*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 three 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, each Lender irrevocably authorises the Agent to sign Transfer Certificates on its behalf. The Borrower and each Security Party irrevocably agree to the transfer procedures set out in this Clause 26 (*Transfers and Changes in Lending Offices*) and to the extent the cooperation of the Borrowers and/or any Security Party shall be required to effect any such transfer, the Borrowers and such Security Party shall take all necessary steps to afford such cooperation **Provided that** this shall not result in any additional costs to the Borrowers or such Security Party.

26.11 Registration fee

In respect of any Transfer Certificate, the Agent shall be entitled to recover a registration fee of \$2,500 from the Transferor Lender or (at the Agent's option) the Transferee Lender.

26.12 Sub-participation; subrogation assignment

A Lender may, sub-participate or include in a securitisation or similar transaction all or any part of its rights and/or obligations under or in connection with the Finance Documents without the Borrowers' prior consent and without serving a notice thereon; the Lenders may assign without the Borrowers' prior consent and without serving a notice thereon all or any part of

the rights referred to in the preceding sentence to an insurer or surety who has become subrogated to them.

26.13 Sub-division, split, modification or re-tranching

Any Lender may, in its sole discretion, sub-divide, split, sever, modify or re-tranche its Contribution into one or more parts subject to the overall cost of its Contribution to the Borrowers remaining unchanged, if such changes are necessary in order to achieve a successful execution of a securitisation, syndication or any other capital market exit in respect of its Contribution (or any applicable part thereof).

26.14 Disclosure of information

- (a) A Lender may, without the prior consent of the Borrowers or any Security Party, disclose to a potential Transferee Lender or sub-participant as well as, where relevant, to rating agencies, trustees and accountants, any financial or other information which that Lender has received in relation to the Loan, the Borrowers (or any of them) and any Security Party or their affairs and collateral or security provided under or in connection with any Finance Document, their financial circumstances and any other information whatsoever, as that Lender may deem reasonably necessary or appropriate in connection with the potential syndication, the assessment of the credit risk and the ongoing monitoring of the Loan by any potential Transferee Lender and that Lender shall be released from its obligation of secrecy and from banking confidentiality.
- (b) In the event any such potential Transferee Lender, sub-participant, rating agency, trustee or accountant is not already bound by any legal obligation of secrecy or banking confidentiality, the Lender concerned shall require such other party to sign a confidentiality agreement. The Borrowers shall, and shall procure that each Security Party shall:
 - (i) provide the Creditor Parties (or any of them) with all information deemed reasonably necessary by the Creditor Parties (or any of them) for the purposes of any transfer, syndication or sub-participation to be effected pursuant to this Clause 26 (*Transfers and Changes in Lending Offices*); and
 - (ii) procure that the directors of each Borrower or each Security Party, are available to participate in any meeting with any Transferee Lender, sub-participant, rating agency, trustee or accountant at such times and places as the Creditor Parties may reasonably request following prior notice (to be served on the Borrowers reasonably in advance) to that Borrower or that Security Party.
- (c) The Borrowers shall not, and shall ensure that no Security Party will, publish any details regarding the Loan or any of the Finance Documents without the Agent's prior written consent.
- (d) The permission of disclosure set out in this Clause 26.14 (*Disclosure of information*) is granted for the purposes of providing relief from banking secrecy and confidentiality requirements. It is not intended as, and is no declaration of, consent in accordance with the DS_GVO (EU Regulation 2016/679, General Data Protection Regulation).

26.15 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.

26.16 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.

26.17 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) 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 any Borrower or any Security Party 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.

26.18 Securitisation

Each Borrower shall, and the Borrowers shall procure that each Security Party will, assist the Agent and/or any Lender in achieving a successful securitisation (or similar transaction) in respect of the Loan and the Finance Documents and such Security Party's reasonable costs for providing such assistance shall be met by the relevant Lender. The Borrowers, if requested by the Agent, shall provide documentation evidencing the purchase price of each Ship when acquired by the relevant Borrower.

26.19 No additional costs

If a Transferor Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Lending Office and as a result of circumstances existing at the date

the assignment, transfer or change occurs, a Borrower or a Security Party would be obliged to make a payment to the Transferee Lender or Lender acting through its new Lending Office under Clause 22.2 (*Tax gross-up*) or under that clause as incorporated by reference or in full in any other Finance Document, then the Transferee Lender or Lender acting through its new Lending Office is only entitled to receive payment under that clause to the same extent as the Transferor Lender acting through its previous Lending Office would have been if the assignment, transfer or change had not occurred.

27 VARIATIONS AND WAIVERS

27.1 Required consents

- (a) Subject to Clause 27.2 (*Exceptions*) and Clause 27.4 (*Changes to reference rates*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrowers and any such amendment or waiver will be binding on all Creditor Parties and the Borrowers.
- (b) Any instructions given by the Majority Lenders will be binding on all the Creditor Parties.
- (c) The Agent may effect on behalf of the Borrowers and any Creditor Party, any amendment or waiver permitted by this Clause 27 (*Variations and Waivers*).

27.2 Exceptions

- (a) An amendment or waiver that has the effect of changing or which relates to:
 - (i) the definition of "Majority Lenders" or "Finance Documents" or "RFR Replacement Event" in Clause 1.1 (*Definitions*);
 - (ii) an extension to the date of payment of any amount under the Finance Documents;
 - (iii) a reduction in the Margin or a reduction in the amount of any payment of principal, interest fees, commission or other amount payable under any of the Finance Documents;
 - (iv) an increase in or an extension of any Lender's Commitment;
 - (v) any provision which expressly requires the consent of all the Lenders;
 - (vi) Clause 3 (*Position of the Lenders*), Clause 11.5 (*Information provided to be accurate*), Clause 11.6 (*Provision of financial statements*), Clause 11.7 (*Form of financial statements*), Clause 11.16 (*Provision of further information*), Clause 26 (*Transfers and Changes in Lending Offices*), this Clause 27.2 (*Exceptions*) or Clause 27.4 (*Changes to reference rates*);
 - (vii) the definitions of "Restricted Party", "Sanctions Authorities" or "Sanctions List" in Clause 1.1 (*Definitions*) or Clause 11.24 (*Sanctions*);
 - (viii) any release of any Security Interest, guarantee, indemnities or subordination arrangement created by any Finance Document;
 - (ix) any change of the currency in which the Loan is provided or any amount is payable under any of the Finance Documents;

- (x) any change to the RFR pursuant to Clause 27.4 (*Changes to reference rates*);
- (xi) an extension of the Availability Period; or
- (xii) a change in Clauses 16.4 (*Distribution of payments to Creditor Parties*) or 22.2 (*Tax gross-up*),

may not be effected without the prior written consent of all Lenders.

- (b) An amendment or waiver which relates to the rights or obligations of the Agent, the Mandated Lead Arranger or the Security Trustee may not be effected without the consent of the Agent, the Mandated Lead Arranger or the Security Trustee, as the case may be.

27.3 Exclusion of other or implied variations

Except for a document which satisfies the requirements of Clauses 27.1 (*Required Consents*), 27.2 (*Exceptions*), 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) If a RFR Replacement Event has occurred in relation to the RFR, the Agent (acting on the instructions of all Lenders) shall be entitled to:
 - (i) replace the RFR with a Replacement Reference Rate;
 - (ii) adjust the pricing on the Replacement Reference Rate by the amendment of the Margin or otherwise, in each case at its discretion, 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); and
 - (iii) amend this Agreement for the purpose of any of:
 - (A) providing for the use of a Replacement Reference Rate in place of the RFR;

- (B) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;
 - (C) 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);
 - (D) implementing market conventions applicable to that Replacement Reference Rate;
 - (E) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
 - (F) adjusting the pricing in accordance with paragraph (ii) above.
- (b) The Agent shall promptly notify the Borrowers and each Creditor Party of any replacement of the RFR, any adjustment of pricing and any amendment of this Agreement made pursuant to paragraph (a) above, which shall take effect immediately as from (and including) the date specified in such notification.
- (c) If required by the Agent (acting on the instructions of all Lenders), the Borrower shall (and shall procure that each Security Party shall) enter into such supplemental, replacement or other agreement in relation to any Finance Document as the Agent may specify to extend the effect of any of the amendments referred to in paragraph (a) above to such Finance Document.

28 CONDUCT OF BUSINESS BY THE CREDITOR PARTIES

No provision of this Agreement will:

- (a) interfere with the right of any Creditor Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Creditor Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Creditor Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

29 NOTICES

29.1 General

Unless otherwise specifically provided, any notice under or in connection with any Finance Document shall be given by letter, fax or email; and references in the Finance Documents to written notices, notices in writing and notices signed by particular persons shall be construed accordingly.

29.2 Addresses for communications

A notice by letter or email shall be sent:

- (a) to the Borrowers: 13-14 Hobart Place

London, SW1W 0HH
United Kingdom

Attention: Legal
Email: legal@lomarshipping.com

- (b) to a Lender: At the address specified next to its name in Schedule 1 (Lenders and Commitments) or (as the case may require) in the relevant Transfer Certificate.
- (c) to the Mandated Lead Arranger, the Agent and Security Trustee:

for general matters:

Hamburg Commercial Bank AG
UB Asset Based Finance/Shipping
Shipping Clients International
Gerhart-Hauptmann-Platz 50
20095 Hamburg
Germany

Email: [REDACTED]

Fax No: +30 210 429 5323

Attention of: Mr. Loukas Lagaras/Mr. Antonios Chazapis

for credit administrative matters:

Hamburg Commercial Bank AG
BU Business Operations
Loan & Collateral Operations
Gerhart – Hauptmann- Platz 50
20095 Hamburg
Germany

Email: [REDACTED]

Fax No: +49 40 3333 34167

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.

29.3 Effective date of notices

Subject to Clauses 29.4 (*Service outside of business hours*) and 29.5 (*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, two hours after its transmission is completed.

29.4 Service outside business hours

However, if under Clause 29.3 (*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 29.5 (*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.

29.5 Illegible notices

Clauses 29.3 (*Effective date of notices*) and 29.4 (*Service outside of business hours*) do not apply if the recipient of a notice notifies the sender within one 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.

29.6 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.

29.7 Electronic communication

- (a) Any communication from the Agent or the other Creditor Parties made by electronic means will be sent unsecured and without electronic signature, however, the Borrowers may request the Agent and the other Creditor Parties at any time in writing to change the method of electronic communication from unsecured to secured electronic mail communication.
- (b) The Borrowers hereby acknowledge and accept the risks associated with the use of unsecured electronic mail communication including, without limitation, risk of delay, loss of data, confidentiality breach, forgery, falsification and malicious software. The Agent and the other Creditor Parties shall not be liable in any way for any loss or damage or any other disadvantage suffered by the Borrowers resulting from such unsecured electronic mail communication.
- (c) If the Borrowers (or any of them) or any Security Party wish to cease all electronic communication, they shall give written notice to the Agent and the other Creditor Parties accordingly after receipt of which notice the Parties shall cease all electronic communication.
- (d) For as long as electronic communication is an accepted form of communication, the Parties shall:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (ii) notify each other of any change to their respective addresses or any other such information supplied to them.
- (e) Each Borrower undertakes and declares that any documents to fulfil the disclosure of the financial circumstances according to Sec. 18 of the German Banking Act (KWG) that were or are hereinafter submitted to the Hamburg Commercial Bank AG electronically or on data carriers through the Borrowers or any Security Party or any of them or a third party are complete and correct. It further agrees and declares that:
- (i) it is irrelevant whether such documents were submitted with or without signature;
 - (ii) documents submitted to Hamburg Commercial Bank AG electronically or on data carriers according to Sec. 18 of the German Banking Act (KWG) have the same legal significance as documents with signature in paper form; and
 - (iii) until written revocation, the declaration under this Clause 29.7 (*Electronic communication*) shall remain valid.

29.8 English language

Any notice under or in connection with a Finance Document shall be in English.

29.9 Meaning of "notice"

In this Clause 28 (*Notices*), "notice" includes any demand, consent, authorisation, approval, instruction, waiver or other communication.

30 JOINT AND SEVERAL LIABILITY

30.1 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 30.2 (*No impairment of Borrower's obligations*), joint.

30.2 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 the other Borrowers;
- (b) any Lender or the Security Trustee entering into any rescheduling, refinancing or other arrangement of any kind with the other Borrowers;
- (c) any Lender or the Security Trustee releasing the other Borrowers or any Security Interest created by a Finance Document; or
- (d) any combination of the foregoing.

30.3 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 the other Borrowers under this Agreement.

30.4 Subordination

Subject to Clause 30.5 (*Borrowers' required action*), during the Security Period, no Borrower shall:

- (a) claim any amount which may be due to it from the other Borrowers 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 the other Borrowers for such an amount, or in any other way seek to have recourse in respect of such an amount against any asset of the other Borrowers; or
- (c) set off such an amount against any sum due from it to the other Borrowers; or
- (d) prove or claim for such an amount in any liquidation, administration, arrangement or similar procedure involving the other Borrowers or any Security Party; or
- (e) exercise or assert any combination of the foregoing.

30.5 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 30.4 (*Subordination*), in relation to the other Borrowers, that Borrower shall take that action as soon as practicable after receiving the Agent's notice.

31 SUPPLEMENTAL

31.1 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.

31.2 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.

31.3 Counterparts

A Finance Document may be executed in any number of counterparts.

31.4 Third party rights

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement.

31.5 Benefit and binding effect

The terms of this Agreement shall be binding upon, and shall enure to the benefit of, the Parties and their respective (including subsequent) successors and permitted assigns and transferees.

32 CONFIDENTIAL INFORMATIONConfidentiality

Each Creditor Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 32.2 (*Disclosure of Confidential Information*) or 32.3 (*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.

32.2 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, 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 or Security Trustee 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 any Borrower 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, arbitrations, administrative or other investigations, proceedings or disputes;
- (vii) who is a Party or any related entity of any Borrower and/or any Security Party;
- (viii) as a result of the registration of any Finance Document as contemplated by any Finance Document or any legal opinion obtained in connection with any Finance Document; or
- (ix) with the consent of any Borrower provided that if the Borrowers fail to respond within 5 days of the Agent's request, they will be deemed to have consented;

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) 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 in to a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between any Borrower and the relevant Creditor Party;

- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or any Borrower and/or any Security Party.
- (e) Each Creditor Party is released from its respective obligations of secrecy and from banking confidentiality under any law or regulation applicable to it. This permission set out in paragraphs (a) and (d) of this Clause 32.2 (*Disclosure of Confidential Information*) is given for the purposes of giving relief from banking secrecy and confidentiality requirements. It is not intended as and is no declaration of consent in accordance with the DS_GVO (EU Regulation 2016/679, General Data Protection Regulation).

32.3 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 any Borrower and/or any Security Party 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) Clause 34 (*Law and Jurisdiction*);
 - (vi) the name of the Agent;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amount of Total Commitments;
 - (ix) currency of the Loan;
 - (x) type of facility;
 - (xi) ranking of Loan;
 - (xii) Final Repayment Date;
 - (xiii) changes to any of the information previously supplied pursuant to sub-paragraphs (i) to (xii) above; and
 - (xiv) such other information agreed between such Creditor Party and the Borrowers,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Loan and/or any Borrower 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) Each Borrower represents, on behalf of itself and each Security Party, that none of the information set out in sub-paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The 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 any Borrower and/or any Security Party; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Loan and/or any Borrower and/or any Security Party by such numbering service provider.

32.4 Entire agreement

This Clause 32 (*Confidential Information*) constitutes the entire agreement between the Parties in relation to the obligations of the Creditor Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

32.5 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.

32.6 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 32.2 (*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 32 (*Confidential Information*).

32.7 Continuing obligations

The obligations in this Clause 32 (*Confidential Information*) 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 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.

33 BAIL-IN

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the parties to a Finance Document, each Party acknowledges and accepts that any liability of any party to a Finance Document under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

34 LAW AND JURISDICTION

34.1 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.

34.2 Exclusive English jurisdiction

Subject to Clause 34.3 (*Choice of forum for the exclusive benefit of the Creditor Parties*), the courts of England shall have exclusive jurisdiction to settle any Dispute.

34.3 Choice of forum for the exclusive benefit of the Creditor Parties

Clause 34.2 (*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.

34.4 Creditor Party rights unaffected

Nothing in this Clause 34 (*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.

34.5 Meaning of "proceedings" and "Dispute"

In this Clause 34 (*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.

THIS AGREEMENT has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1**LENDERS AND COMMITMENTS**

Lender	Lending Office	Commitment (US Dollars)	Treaty Passport scheme reference number and jurisdiction of tax residence (if applicable)
Hamburg Commercial Bank AG (Treaty Lender)	Gerhart-Hauptmann- Platz 50 20095 Hamburg Germany	\$24,000,000	7/H/281135/DTTP Germany

SCHEDULE 2

DRAWDOWN NOTICE

To: Hamburg Commercial Bank AG
Gerhart-Hauptmann-Platz 50
20095 Hamburg
Germany
Attention: Loans Administration

[*] 2023

DRAWDOWN NOTICE

- 1 We refer to the loan agreement (the "Loan Agreement") dated [*] September 2023 and made between ourselves, as joint and several Borrowers, the Lenders referred to therein, and yourselves as Agent, Mandated Lead Arranger and Security Trustee in connection with a senior secured term loan facility of (originally) up to US\$24,000,000. Terms defined in the Loan Agreement have their defined meanings when used in this Drawdown Notice.
- 2 We request to borrow Advance [A][B][C] as follows:
 - (a) Amount of Advance: US\$[*];
 - (b) Drawdown Date: [*] 2023;
 - (c) Duration of the first Interest Period shall be 3 months; and
 - (d) Payment instructions: account in our name and numbered [*] with [*] of [*].
- 3 We represent and warrant that:
 - (a) the representations and warranties in Clause 10 (*Representations and Warranties*) of the Loan Agreement would remain true and not misleading if repeated on the date of this Drawdown Notice with reference to the circumstances now existing; and
 - (b) no Event of Default or Potential Event of Default has occurred or will result from the borrowing of that Advance.
- 4 This Drawdown Notice cannot be revoked without the prior consent of the Majority Lenders.
- 5 [We authorise you to deduct the structuring and accrued commitment fees payable pursuant to in Clauses 20.1(a) (*Structuring and commitment fees*) and 20.1(b) (*Structuring and commitment fees*).]

for and on behalf of
THAMES TRADER SHIPPING LIMITED
DART TRADER SHIPPING LIMITED
AVON TRADER SHIPPING LIMITED

SCHEDULE 3

CONDITION PRECEDENT DOCUMENTS

PART A

The following are the documents referred to in Clause 9.1(a) (*Documents, fees and no default*) required before service of the first Drawdown Notice.

- 1 A duly executed original of:
 - (a) this Agreement;
 - (b) the Agency and Trust Deed;
 - (c) any Subordination Agreement;
 - (d) any Subordinated Debt Security; and
 - (e) the Account Pledges.
- 2 Copies of the certificate of incorporation and constitutional documents of each Borrower, and any Security Party and any company registration documents in respect of any Borrower or, any Security Party (including, without limitation, any corporate register excerpts) required by the Agent.
- 3 Copies of resolutions of the directors (and, if applicable, the shareholders) of each Borrower and each Security Party authorising the execution of each of the Finance Documents to which that Borrower or that Security Party is a party and, in the case of each Borrower, authorising named representatives to give the Drawdown Notice(s) and other notices under this Agreement.
- 4 The original of any power of attorney under which any Finance Document is executed on behalf of a Borrower or any Security Party.
- 5 Copies of all consents which any Borrower or any Security Party requires to enter into, or make any payment under, any Finance Document or any Underlying Document.
- 6 The originals of any mandates or other documents required in connection with the opening or operation of the Accounts.
- 7 Copies of each Underlying Document and of all documents signed or issued by the Borrowers or any party thereto (or any of them) under or in connection with such documents together, with such documentary evidence as the Agent and its legal advisers may require in relation to the due authorisation and execution of all such documents by the parties thereto.
- 8 Any documents required by the Agent in respect of each Borrower and any Security Party to satisfy the Lenders' "know your customer" requirements.
- 9 Favourable legal opinions from lawyers appointed by the Agent on such matters concerning the laws of England, Liberia and such other relevant jurisdictions as the Agent may require.

- 10 Documents establishing that each Ship is managed by an Approved Manager on terms acceptable to the Lenders.
- 11 A copy of the Approved Manager's Document of Compliance.
- 12 If the Agent so requires, in respect of any of the documents referred to above, a certified English translation prepared by a translator approved by the Agent.

PART B

The following are the documents referred to in Clause 9.1(b) (*Documents, fees and no default*) required before each Drawdown Date. In Part B of this Schedule 3 (*Conditions Precedent Documents*), the following definitions have the following meanings:

- (a) **"Relevant Borrower"** means the Borrower which is or is to become the owner of the Relevant Ship; and
 - (b) **"Relevant Ship"** means the Ship which is relevant to the Advance being borrowed on the relevant Drawdown Date.
- 1 A duly executed original of the Mortgage, the General Assignment and any Charterparty Assignment relating to any Assignable Charter (and of each document to be delivered under each of them) each in respect of the Relevant Ship.
 - 2 Documentary evidence that:
 - (a) the Relevant Ship is definitively and permanently registered in the name of the Relevant Borrower under an Approved Flag in accordance with the laws of the applicable Approved Flag State;
 - (b) the Relevant Ship is in the absolute and unencumbered ownership of the Relevant Borrower save as contemplated by the Finance Documents;
 - (c) the Relevant Ship maintains the class specified in Clause 14.3(b) (*Repair and classification*) with a first class classification society which is a member of IACS (other than the China Classification Society, the Russian Maritime Registry of Shipping, the Polish Register of Shipping and the Indian Shipping of Register) as the Agent may approve free of all overdue recommendations and conditions of such classification society;
 - (d) the Mortgage relating to the Relevant Ship has been duly registered or recorded against that Ship as a valid first preferred or, as the case may be, priority mortgage in accordance with the laws of the applicable Approved Flag State; and
 - (e) the Relevant Ship is insured in accordance with the provisions of this Agreement and all requirements therein in respect of insurances have been complied with.
 - 3 In relation to an Approved Manager and the Relevant Ship:
 - (a) that Approved Manager's Undertaking relative thereto; and
 - (b) a copy of the Ship's Safety Management Certificate (together with any other details of the applicable safety management system which the Agent requires).
 - 4 One or, as the case may be, two valuations of the Relevant Ship (at the cost of the Borrower), each prepared pursuant to paragraphs (a) and (b) of Clause 15.3 (*Valuation of Ships*), at a date not earlier than 30 days prior to the relevant Drawdown Date, stated to be for the purposes of this Agreement.
 - 5 Favourable legal opinions from lawyers appointed by the Agent on such matters concerning the laws of the relevant Approved Flag State and such other relevant jurisdictions as the Agent may require.

- 6 A favourable opinion from an independent insurance consultant acceptable to the Agent on such matters relating to the insurances for the Relevant Ship as the Agent may require.
- 7 Evidence satisfactory to the Agent that:
 - (a) the Minimum Liquidity Amount and the Additional Minimum Liquidity in respect of each Ship is standing to the credit of the Liquidity Account pursuant to Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*); and
 - (b) the Dry-Docking Reserve Amount is standing to the credit of the Dry Docking Reserve Account pursuant to Clause 11.20 (*Dry Docking Reserve Amount*).
- 8 If the Agent so requires, in respect of any of the documents referred to above, a certified English translation prepared by a translator approved by the Agent.
- 9 Evidence satisfactory to the Agent of payment of all fees due and payable in accordance with Clause 9 (*Conditions Precedent*) of this Agreement.
- 10 The most recent survey report addressed in respect of the physical condition of the Ship or comparable inspection report satisfactory to the Agent.

Each of the documents specified in paragraphs 3 and 4 of Part A shall be notarised or legalised by a competent authority acceptable to the Agent and every other copy document delivered under this Schedule shall be certified as a true and up to date copy by the secretary (or equivalent officer) of the relevant Borrower.

SCHEDULE 4

TRANSFER CERTIFICATE

The Transferor and the Transferee accept exclusive responsibility for ensuring that this Certificate and the transaction to which it relates comply with all legal and regulatory requirements applicable to them respectively.

To: Hamburg Commercial Bank AG for itself and for and on behalf of each Borrower, each Security Party, the Security Trustee, each Lender, as defined in the Loan Agreement referred to below.

[●]

- 1 This Certificate relates to a Loan Agreement (the "**Loan Agreement**") dated [●] September 2023 and made between (1) Thames Trader Shipping Limited, Dart Trader Shipping Limited and Avon Trader Shipping Limited (together, the "**Borrowers**") as joint and several Borrowers, (2) the banks and financial institutions named therein as Lenders, (3) Hamburg Commercial Bank AG as Agent, (5) Hamburg Commercial Bank AG as Mandated Lead Arranger and (6) Hamburg Commercial Bank AG as Security Trustee for a loan facility of up to US\$24,000,000.
- 2 In this Certificate, terms defined in the Loan Agreement shall, unless the contrary intention appears, have the same meanings and:

"**Relevant Parties**" means the Agent, each Borrower, each Security Party, the Security Trustee and each Lender;

"**Transferor**" means [full name] of [Lending Office]; and

"**Transferee**" means [full name] of [Lending Office].
- 3 The effective date of this Certificate is [●] **Provided that** this Certificate shall not come into effect unless it is signed by the Agent on or before that date.
- 4 The Transferor assigns to the Transferee absolutely all rights and interests (present, future or contingent) which the Transferor has as Lender under or by virtue of the Loan Agreement and every other Finance Document in relation to [●] per cent. of its Contribution, which percentage represents \$[●].
- 5 [By virtue of this Certificate and Clause 26 (*Transfers and Changes in Lending Offices*) of the Loan Agreement, the Transferor is discharged [entirely from its Commitment which amounts to \$[●]] [from [●] per cent. of its Commitment, which percentage represents \$[●]] and, subject to Clause 26.7 (*Effect of Transfer Certificate*) of the Loan Agreement, from all obligations connected therewith, the Transferee acquires a Commitment of \$[●].]
- 6 The Transferee undertakes with the Transferor and each of the Relevant Parties that the Transferee will observe and perform all the obligations under the Finance Documents which Clause 26 (*Transfers and Changes in Lending Offices*) of the Loan Agreement provides will become binding on it upon this Certificate taking effect.
- 7 The Agent, at the request of the Transferee (which request is hereby made) accepts, for the Agent itself and for and on behalf of every other Relevant Party, this Certificate as a Transfer Certificate taking effect in accordance with Clause 26 (*Transfers and Changes in Lending Offices*) of the Loan Agreement.

8 The Transferor:

- (a) warrants to the Transferee and each Relevant Party that:
 - (i) the Transferor has full capacity to enter into this transaction and has taken all corporate action and obtained all consents which are in connection with this transaction; and
 - (ii) this Certificate is valid and binding as regards the Transferor;
- (b) warrants to the Transferee that the Transferor is absolutely entitled, free of encumbrances, to all the rights and interests covered by the assignment in paragraph 4 above; and
- (c) undertakes with the Transferee that the Transferor will, at its own expense, execute any documents which the Transferee reasonably requests for perfecting in any relevant jurisdiction the Transferee's title under this Certificate or for a similar purpose.

9 The Transferee:

- (a) confirms that it has received a copy of the Loan Agreement and each of the other Finance Documents;
 - (b) agrees that it will have no rights of recourse on any ground against the Transferor, the Agent, the Mandated Lead Arranger, the Security Trustee or any Lender in the event that:
 - (i) any of the Finance Documents prove to be invalid or ineffective;
 - (ii) any Borrower or any Security Party fails to observe or perform its obligations, or to discharge its liabilities, under any of the Finance Documents;
 - (iii) it proves impossible to realise any asset covered by a Security Interest created by a Finance Document, or the proceeds of such assets are insufficient to discharge the liabilities of the Borrowers or any Security Party under the Finance Documents;
 - (c) agrees that it will have no rights of recourse on any ground against the Agent, the Mandated Lead Arranger, the Security Trustee or any Lender in the event that this Certificate proves to be invalid or ineffective;
 - (d) warrants to the Transferor and each Relevant Party that:
 - (i) it has full capacity to enter into this transaction and has taken all corporate action and obtained all consents which it needs to take or obtain in connection with this transaction; and
 - (ii) this Certificate is valid and binding as regards the Transferee; and
 - (e) confirms the accuracy of the administrative details set out below regarding the Transferee.
- 10 The Transferor and the Transferee each undertake with the Agent, the Mandated Lead Arranger and the Security Trustee severally, on demand, fully to indemnify the Agent and/or the Security Trustee and/or the Mandated Lead Arranger in respect of any claim, proceeding, liability or expense (including all legal expenses) which they or either of them may incur in connection with this Certificate or any matter arising out of it, except such as are shown to

have been mainly and directly caused by the gross and culpable negligence or dishonesty of the Agent's, the Mandated Lead Arranger's or the Security Trustee's own officers or employees.

- 10.1 The Transferee confirms, for the benefit of the Agent and without liability to any Borrower, that it is:
- (a) [a Qualifying Lender (other than a Treaty Lender);]
 - (b) [a Treaty Lender;]
 - (c) [not a Qualifying Lender].¹
- 10.2 [The Transferee confirms that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:
- (a) a company resident in the United Kingdom for United Kingdom tax purposes;
 - (b) a partnership each member of which is:
 - (i) a company so resident in the United Kingdom; or
 - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
 - (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.]²
- 10.3 [The Transferee confirms that it holds a passport under the HMRC DT Treaty Passport scheme (reference number []) and is tax resident in []*, so that interest payable to it by borrowers is generally subject to full exemption from UK withholding tax and requests that the Agent notify:
- (a) each Borrower which is a Party as a Borrower as at the Transfer Date; and
 - (b) each Additional Borrower which becomes an Additional Borrower after the Transfer Date,
- that it wishes that scheme to apply to the Loan Agreement.]**
- 11 The Transferee shall repay to the Transferor on demand so much of any sum paid by the Transferor under paragraph 10 as exceeds one-half of the amount demanded by the Agent, the Mandated Lead Arranger or the Security Trustee in respect of a claim, proceeding, liability

¹ Delete as applicable. Each Transferee Lender is required to confirm which of these three categories it falls within.

² Include if Transferee Lender comes within paragraph (a)(ii) of the definition of Qualifying Lender in Clause 22.1 (Definitions).

* Insert jurisdiction of tax residence.

** Include if the Transferee Lender holds a passport under the HMRC DT Treaty Passport scheme and wishes that scheme to apply to the Loan Agreement.

or expense which was not reasonably foreseeable at the date of this Certificate; but nothing in this paragraph shall affect the liability of each of the Transferor and the Transferee to the Agent, the Mandated Lead Arranger or the Security Trustee for the full amount demanded by it.

[Name of Transferor]

[Name of Transferee]

By:

By:

Date:

Date:

Agent

Signed for itself and for and on behalf of itself
as Agent and for every other Relevant Party
Hamburg Commercial Bank AG

By:

Date:

SCHEDULE 5

ADMINISTRATIVE DETAILS OF TRANSFEREE

Name of Transferee:

Lending Office:

Contact Person
(Loan Administration Department):

Telephone:

Fax:

Contact Person
(Credit Administration Department):

Telephone:

Fax:

Account for payments:

Notes:

This Transfer Certificate alone may not be sufficient to transfer a proportionate share of the Transferor's interest in the security constituted by the Finance Documents in the Transferor's or Transferee's jurisdiction. It is the responsibility of each Lender to ascertain whether any other documents are required for this purpose.

Paragraph 4 deals with assignment of rights and can be used together with paragraph 5 if the parties have agreed to a combination of assignment of rights and transfer of obligations.

Paragraph 5 deals with transfer of obligations and should be removed if the parties have agreed to an assignment only.

SCHEDULE 6

POWER OF ATTORNEY

Know all men by these presents that [THAMES TRADER SHIPPING LIMITED] [DART TRADER SHIPPING LIMITED] [AVON TRADER SHIPPING LIMITED] (the "**Company**"), a company incorporated in England and having its registered office at 13-14 Hobart Place, London SW1W 0HH, United Kingdom, irrevocably and by way of security appoints Hamburg Commercial Bank AG (the "**Attorney**") of Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany its attorney, to act in the name of the Company and to exercise any right, entitlement or power of the Company in relation to [●] (the "**Classification Society**") and/or to the classification records of any vessel owned, controlled or operated by the Company including, without limitation, such powers or entitlement as the Company may have to inspect the class records and any files held by the Classification Society in relation to any such vessel and to require the Classification Society to provide to the Attorney or to any of its nominees any information, document or file which the Attorney may request

Ratification of actions of attorney. For the avoidance of doubt and without limiting the generality of the above, it is confirmed that the Company hereby ratifies any action which the Attorney takes or purports to take under this Power of Attorney and the Classification Society shall be entitled to rely hereon without further enquiry.

Delegation. The Attorney may exercise its powers hereunder through any officer or through any nominee and/or may sub-delegate to any person or persons (including a Receiver and persons designated by him) all or any of the powers (including the discretions) conferred on the Attorney hereunder, and may do so on terms authorising successive sub-delegations.

This Power of Attorney was executed by the Company as a Deed on [●] 2023.

EXECUTED as a DEED by)
[THAMES TRADER SHIPPING LIMITED] [DART TRADER SHIPPING LIMITED] [AVON TRADER SHIPPING LIMITED])
acting by)
its [Director][Attorney-in-Fact])
in the presence of:)

SCHEDULE 7

FORM OF COMPLIANCE CERTIFICATE

To: Hamburg Commercial Bank AG
Gerhart-Hauptmann-Platz 50
D-20095 Hamburg
Germany

[•] 20[•]

Dear Sirs

We refer to a loan agreement dated [•] September 2023 (the "**Loan Agreement**") made between (amongst others) yourselves and ourselves in relation to a term loan facility of up to \$24,000,000.

Words and expressions defined in the Loan Agreement shall have the same meaning when used in this compliance certificate.

We represent that no Event of Default or Potential Event of Default has occurred as at the date of this certificate [except for the following matter or event [set out all material details of matter or event]]. In addition as of [•], we confirm compliance with (i) the minimum liquidity and additional minimum liquidity requirements set out in Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*), (ii) the provisions of Clause 11.20 (*Dry Docking Reserve Amount*) and (iii) the minimum security cover requirement set out in Clause 15.1 (*Minimum required security cover*) of the Loan Agreement for the 6-month period ending on the date of this certificate.

We now certify that, as at [•]:

- (a) \$[•] is standing to the credit of the Liquidity Account as Minimum Liquidity as required by Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*);
- (b) \$[•] is standing to the credit of the Liquidity Account as Additional Minimum Liquidity as required by Clause 11.19 (*Minimum Liquidity and Additional Minimum Liquidity*);
- (c) the aggregate Dry Docking Reserve Amount standing to the credit of the Dry-Docking Reserve is \$[•] as required by Clause 11.20 (*Dry Docking Reserve Amount*); [and]
- (d) the Security Cover Ratio is [•] per cent; and
- (e) [Borrower [A][B][C] has made a Distribution by way of payment of dividends in the aggregate amount of \$[•]].

This Compliance Certificate shall be governed by, and construed in accordance with, English law.

Director
for and on behalf of
THAMES TRADER SHIPPING LIMITED

Director
for and on behalf of
DART TRADER SHIPPING LIMITED

Director
for and on behalf of
AVON TRADER SHIPPING LIMITED

SCHEDULE 8

BENCHMARK TERMS

CURRENCY:	Dollars.
Cost of funds as a fallback	Cost of funds will apply as a fallback.
Definitions	
Additional Business Days:	An RFR Banking Day.
Break Costs:	Any cost or amount which is incurred or suffered by a Lender to the extent that it is attributable to a payment by the Borrowers to the Agent of any amount of principal due or which would have become due under this Agreement prior to the date upon which such amount should have been repaid in accordance with the terms and conditions of this Agreement
Central Bank Rate:	<p>(a) The short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or</p> <p>(b) if that target is not a single figure, the arithmetic mean of:</p> <p style="padding-left: 40px;">(i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and</p> <p style="padding-left: 40px;">(ii) the lower bound of that target range.</p>
Central Bank Rate Adjustment:	In relation to the Central Bank Rate prevailing at close of business on any RFR Banking Day, the arithmetic mean (calculated by the Agent or by any other Creditor Party which agrees to make the calculation in place of the Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available.
Central Bank Rate Spread:	In relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) (calculated by the Agent or by any other Creditor Party which agrees to make the calculation in place of the Agent) between: (i) the RFR for that RFR Banking Day and (ii) the Central Bank Rate prevailing at the close of business on that RFR Banking Day.
Daily Rate:	The "Daily Rate" for any RFR Banking Day is:
	(a) the RFR for that RFR Banking Day; or
	(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of:
	(i) the Central Bank Rate for that RFR Banking Day; and

	(ii) the applicable Central Bank Rate Adjustment; or										
	<p>(c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of:</p> <p>(i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day; and</p> <p>(ii) the applicable Central Bank Rate Adjustment,</p> <p>(iii) rounded, in either case, to five decimal places and if, in either case, that rate is less than zero, the Daily Rate shall be deemed to be zero.</p>										
Lookback Period:	Five RFR Banking Days.										
Market Disruption Credit Adjustment Spread:	<table> <tr> <th>Length of Interest Period</th><th>Credit Adjustment Spread for USD</th></tr> <tr> <td>≤ 1 Month</td><td>0.11448%</td></tr> <tr> <td>> 1 Month and ≤ 3 Months</td><td>0.26161%</td></tr> <tr> <td>> 3 Months and ≤ 6 Months</td><td>0.42826%</td></tr> <tr> <td>> 6 Months and ≤ 12 Months</td><td>0.71513%</td></tr> </table>	Length of Interest Period	Credit Adjustment Spread for USD	≤ 1 Month	0.11448%	> 1 Month and ≤ 3 Months	0.26161%	> 3 Months and ≤ 6 Months	0.42826%	> 6 Months and ≤ 12 Months	0.71513%
Length of Interest Period	Credit Adjustment Spread for USD										
≤ 1 Month	0.11448%										
> 1 Month and ≤ 3 Months	0.26161%										
> 3 Months and ≤ 6 Months	0.42826%										
> 6 Months and ≤ 12 Months	0.71513%										
Market Disruption Rate	<p>The percentage rate per annum which is the aggregate of:</p> <p>(a) the Cumulative Compounded RFR Rate for the Interest Period of the Loan or part of the Loan; and</p> <p>(b) the applicable Market Disruption Credit Adjustment Spread.</p>										
Relevant Market:	The market for overnight cash borrowing collateralised by US Government securities.										
Reporting Day:	The Business Day which follows the day which is the Lookback Period prior to the last day of the Interest Period.										
RFR:	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 by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).										
RFR Banking Day:	<p>Any day other than:</p> <p>(a) a Saturday or Sunday; and</p> <p>(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.</p>										

Reporting Time	
Deadline to report market disruption in accordance with Clause 5.5 (<i>Market disruption</i>)	Close of business in London on the Reporting Day for the Loan.
Deadline for Lenders to report their cost of funds in accordance with Clause 5.6 (<i>Cost of funds</i>)	Close of business on the date falling 2 Business Days after the Reporting Day for the Loan or the relevant part of the Loan (or, if earlier, on the date falling 2 Business Days before the date on which interest is due to be paid in respect of the Interest Period for the Loan or the relevant part of the Loan).

SCHEDULE 9

DAILY NON-CUMULATIVE COMPOUNDED RFR RATE

The "**Daily Non-Cumulative Compounded RFR Rate**" for any RFR Banking Day "*i*" during an Interest Period for the Loan or any part of the Loan is the percentage rate per annum (without rounding, to the extent reasonably practicable for the Creditor Party performing the calculation, taking into account the capabilities of any software used for that purpose) calculated as set out below:

$$(UCCDR_i - UCCDR_{i-1}) \times \frac{dcc}{n_i}$$

where:

"**UCCDR_i**" means the Unannualised Cumulative Compounded Daily Rate for that RFR Banking Day "*i*";

"**UCCDR_{i-1}**" means, in relation to that RFR Banking Day "*i*", the Unannualised Cumulative Compounded Daily Rate for the immediately preceding RFR Banking Day (if any) during that Interest Period;

"**dcc**" means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number;

"**n_i**" means the number of calendar days from, and including, that RFR Banking Day "*i*" up to, but excluding, the following RFR Banking Day; and

the "**Unannualised Cumulative Compounded Daily Rate**" for any RFR Banking Day (the "**Cumulated RFR Banking Day**") during that Interest Period is the result of the below calculation (without rounding, to the extent reasonably practicable for the Creditor Party performing the calculation, taking into account the capabilities of any software used for that purpose):

$$ACCDR \times \frac{tn_i}{dcc}$$

where:

"**ACCDR**" means the Annualised Cumulative Compounded Daily Rate for that Cumulated RFR Banking Day;

"**tn_i**" means the number of calendar days from, and including, the first day of the Cumulation Period to, but excluding, the RFR Banking Day which immediately follows the last day of the Cumulation Period;

"**Cumulation Period**" means the period from, and including, the first RFR Banking Day of that Interest Period to, and including, that Cumulated RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

the "**Annualised Cumulative Compounded Daily Rate**" for that Cumulated RFR Banking Day is the percentage rate per annum (rounded to five decimal places) calculated as set out below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{tn_i}$$

where:

"**d₀**" means the number of RFR Banking Days in the Cumulation Period;

"**Cumulation Period**" has the meaning given to that term above;

"**i**" means a series of whole numbers from one to d₀, each representing the relevant RFR Banking Day in chronological order in the Cumulation Period;

"**DailyRate_{i-LP}**" means, for any RFR Banking Day "i" in the Cumulation Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day "i";

"**n_i**" means, for any RFR Banking Day "i" in the Cumulation Period, the number of calendar days from, and including, that RFR Banking Day "i" up to, but excluding, the following RFR Banking Day;

"**dcc**" has the meaning given to that term above; and

"**tn_i**" has the meaning given to that term above.

SCHEDULE 10

CUMULATIVE COMPOUNDED RFR RATE

The "**Cumulative Compounded RFR Rate**" for any Interest Period for the Loan or any part of the Loan is the percentage rate per annum (rounded to the same number of decimal places as is specified in the definition of "Annualised Cumulative Compounded Daily Rate" in Schedule 9 (*Daily Non-Cumulative Compounded RFR Rate*)) calculated as set out below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{DailyRate}_{i-LP} \times n_i}{\text{dcc}} \right) - 1 \right] \times \frac{\text{dcc}}{d}$$

where:

" d_0 " means the number of RFR Banking Days during the Interest Period;

" i " means a series of whole numbers from one to d_0 , each representing the relevant RFR Banking Day in chronological order during the Interest Period;

" DailyRate_{i-LP} " means for any RFR Banking Day " i " during the Interest Period, the Daily Rate for the RFR Banking Day which is the applicable Lookback Period prior to that RFR Banking Day " i ";

" n_i " means, for any RFR Banking Day " i ", the number of calendar days from, and including, that RFR Banking Day " i " up to, but excluding, the following RFR Banking Day;

" dcc " means 360 or, in any case where market practice in the Relevant Market is to use a different number for quoting the number of days in a year, that number; and

" d " means the number of calendar days during that Interest Period.

EXECUTION PAGES

BORROWERS

SIGNED by

its
for and on behalf of
THAMES TRADER SHIPPING LIMITED
in the presence of:

SIGNED by

its
for and on behalf of
DART TRADER SHIPPING LIMITED
in the presence of:

SIGNED by

its
for and on behalf of
AVON TRADER SHIPPING LIMITED
in the presence of:

LENDERS

SIGNED by

for and on behalf of
HAMBURG COMMERCIAL BANK AG
in the presence of:

AGENT

SIGNED by

for and on behalf of
HAMBURG COMMERCIAL BANK AG
in the presence of:

MANDATED LEAD ARRANGER

SIGNED by

for and on behalf of
HAMBURG COMMERCIAL BANK AG
in the presence of:

)
)
)
)
)

SECURITY TRUSTEE

SIGNED by

for and on behalf of
HAMBURG COMMERCIAL BANK AG
in the presence of:

)
)
)
)
)
)
)
)

"B"

Dated September 2023

**THAMES TRADER SHIPPING LIMITED
DART TRADER SHIPPING LIMITED
AVON TRADER SHIPPING LIMITED**
as joint and several Borrowers

and

THE BANKS AND FINANCIAL INSTITUTIONS
listed in Schedule 1
as Lenders

and

HAMBURG COMMERCIAL BANK AG
as Agent, Mandated Lead Arranger and Security Trustee

AGENCY AND TRUST DEED

relating to

a senior secured post-delivery term loan facility of up to US\$24,000,000
to refinance m.vs. "THAMES TRADER" (ex "SWEET MELISSA"),
"DART TRADER" (ex "SWEET IRINA") and "AVON TRADER" (ex "SWEET VENUS")

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THIS DEED is made on September 2023

PARTIES

- (1) **THAMES TRADER SHIPPING LIMITED, DART TRADER SHIPPING LIMITED and AVON TRADER SHIPPING LIMITED**, each a company incorporated in England whose registered office is at 13-14 Hobart Place, London SW1W 0HH, United Kingdom as joint and several **Borrowers**;
- (2) **THE BANKS AND FINANCIAL INSTITUTIONS** listed in Schedule 1, as **Lenders**;
- (3) **HAMBURG COMMERCIAL BANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Agent**;
- (4) **HAMBURG COMMERCIAL BANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Mandated Lead Arranger**; and
- (5) **HAMBURG COMMERCIAL BANK AG**, acting through its office at Gerhart-Hauptmann-Platz 50, D-20095 Hamburg, Germany, as **Security Trustee**.

BACKGROUND

This Deed is supplemental to an agreement dated the same date as this Deed and made between (i) the Borrowers (ii) the Lenders, (iii) the Agent, (iv) the Mandated Lead Arranger and (v) the Security Trustee, which provides for a loan facility of up to US\$24,000,000.

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 Defined expressions

Words and expressions defined in the Loan Agreement shall have the same meaning when used in this Deed unless the context otherwise requires.

1.2 Definitions

In this Deed, unless the contrary intention appears:

"Loan Agreement" means the loan agreement dated _____ 2023 referred to in the Background, as the same may be amended, supplemented and/or restated from time to time.

"Relevant Matter" means:

- (a) any transaction or matter contemplated by, arising out of, or in connection with a Pertinent Document; or
- (b) any statement relating to a Pertinent Document or to a transaction or matter falling within paragraph (a),

and covers any such transaction, matter or statement, whether entered into, arising or made at any time before the signing of this Deed or on or at any time after that signing.

"Servicing Banks" means the Agent and the Security Trustee.

1.3 General interpretation

- (a) In this Deed:
 - (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 Deed 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 Deed or otherwise; and
 - (iii) words denoting the singular number shall include the plural and vice versa; and
- (b) Clauses 1.1 and 1.3 apply unless the contrary intention appears.

2 THE AGENT

2.1 Appointment of Agent

Each of the Lenders appoints the Agent to act as its agent under and in connection with the Loan Agreement and the other Finance Documents.

2.2 Authorisation of Agent

Each of the Lenders authorises the Agent to exercise those rights, powers and discretions which are expressly given to the Agent by this Deed and the other Finance Documents, together with any other reasonably incidental rights, powers and discretions.

2.3 Agent not a trustee; limitation of obligations

The relationship between the Agent and each Lender is that of agent and principal only. Nothing under or in connection with any Pertinent Document shall result in the Agent being considered or regarded as a trustee for the Lenders (or any of them) or any other person and the Agent need not hold in trust any moneys which are paid to, or held by, the Agent for the Lenders (or any of them) under or in connection with any Pertinent Documents or be liable to account for interest on those moneys.

2.4 Majority Lenders' instructions and absence of express authorisation

In connection with the exercise of any right, power, authority or discretion or any other matter vested in it as agent for the Lenders not expressly provided for in the Finance Documents:

- (a) the Agent shall act, and shall be protected in acting, in accordance with any written instructions which it receives from the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from acting);
- (b) the Agent shall not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with any instructions of the Majority Lenders;
- (c) such instructions given by the Majority Lenders shall be binding on all the Lenders; and
- (d) the Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss, expense or liability (together with any associated value added tax) which it may incur or be likely to incur in complying with such instructions;
- (e) if the Agent has received no such instructions from the Majority Lenders (or, if appropriate, the Lenders), the Agent shall be fully entitled, but shall have no obligation, to act (or refrain from taking action) in such manner as it considers to be in the best interests of all the Lenders or the Lender or Lenders concerned; and
- (f) the Agent shall not have any duties, obligations or liabilities to any Lender beyond those expressly stated in this Deed and the other Finance Documents to which it is or may become a party and, without prejudice to the binding nature of such duties, they are solely intended to serve a mechanical and administrative purpose.

2.5 Limitation on obligation of Agent to request instructions

The Agent shall not have any obligation to request the Lenders to give it any instructions or to make any determination unless the Agent is specifically asked to do so by a Lender or Lenders having Contributions exceeding 10 per cent. of the Loan or (if the Loan has not been made) Commitments exceeding 10 per cent. of the Total Commitments.

2.6 Ratification of unauthorised action of Agent

Any action which the Agent takes or purports to take on behalf of the Lenders, the Majority Lenders or any Lender at a time when it had not been authorised to do so shall, if subsequently ratified, be as valid as regards every Creditor Party as if the Agent had been expressly authorised in advance.

2.7 Agent's reliance on representations

The Agent may rely on:

- (a) any representation, notice or document believed by it to be genuine, correct and appropriately authorised; and
- (b) any statement made by a director, authorised signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

2.8 Agent's Assumptions

The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

- (a) no Event of Default or Potential Event of Default has occurred unless it has actual knowledge of an Event of Default arising under clause 19.1(a) of the Loan Agreement;
- (b) any right, power, authority or discretion vested in any Creditor Party or the Majority Lenders has not been exercised; and
- (c) any notice or request made by the Borrowers (other than the Drawdown Notice or any notice selecting the duration of any Interest Period under the Loan Agreement) is made on behalf of and with the consent and knowledge of the Borrowers and the Security Parties.

2.9 Knowledge of Agent

The Agent shall be deemed only to have knowledge of matters which are personally known or made known to the individual officer(s) of the Agent responsible for the agency function in connection with this facility, such that the Agent shall be deemed not to have knowledge of any matter of which any other person in any division of the Agent may become aware in the context of any activities from time to time undertaken by the Agent for or in relation to the Borrowers, any Security Party or any of their respective subsidiaries or affiliates, unless and until such knowledge is actually made known to the individual officers of the Agent responsible for the agency function in connection with this facility.

2.10 Reliance on action of Agent

The Borrowers and each Security Party:

- (a) shall be entitled to assume that the Majority Lenders, or, as the case may be, all of 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.

2.11 Supply of copy documents

The Agent shall promptly send to each Lender, upon the request and at the cost of that Lender a copy of any document received by it under clauses 9 and 11 of the Loan Agreement (but the Agent shall not be obliged to check their accuracy or completeness).

2.12 Lender communications

Each Lender shall promptly forward to the Agent a copy of any communication which that Lender sends to, or receives from, the Borrowers (or any of them) or any Security Party in connection with any Relevant Matter.

3 THE SECURITY TRUSTEE

3.1 Definition of "Trust Property"

In this Clause, "**Trust Property**" means:

- (a) all Security Interests and all rights granted to, or held or exercisable by, the Security Trustee under or by virtue of the Finance Documents, except rights intended for the sole benefit or protection of the Security Trustee;
- (b) all moneys or other assets which are received or recovered by or on behalf of the Security Trustee under or by virtue of any Security Interest or right covered by paragraph (a), including any moneys or other assets which are received or recovered by it as a result of the enforcement or exercise by it of such a Security Interest or right; and
- (c) all moneys or other assets which may accrue in respect of, or be derived from, any moneys or other assets covered by paragraph (b),

except any moneys or other assets which the Security Trustee has transferred to the Agent or (being entitled to do so) has retained in accordance with the following provisions of this Clause 3.

3.2 Holding and dealing with Trust Property

The Security Trustee shall:

- (a) hold the Trust Property on trust for the Creditor Parties in accordance with their respective entitlements under the Finance Documents; and
- (b) deal with the Trust Property,

in accordance with this Clause 3 and the other provisions of the Finance Documents.

3.3 Absence of express authorisation

In connection with the exercise of any right, power or discretion or any other matter not expressly provided for in the Finance Documents:

- (a) the Security Trustee shall act, and shall be protected in acting, in accordance with any written instructions which it receives from the Agent or, if the Security Trustee is the same legal entity as the Agent, in accordance with any written instructions which it receives from the Majority Lenders;
- (b) any such instructions given by the Agent or (as the case may be) the Majority Lenders will be binding on all the Lenders; and
- (c) if the Security Trustee has received no such instructions the Security Trustee shall be fully entitled, but shall have no obligation, to act in such manner as it considers to be in the best interests of all the Lenders or the Lender or Lenders concerned.

3.4 Limitation on obligation of Security Trustee to request instructions

The Security Trustee shall not have any obligation to request the Agent or the Majority Lenders to give it any instructions or to make any determination.

3.5 Ratification of unauthorised action of Security Trustee

Any action which the Security Trustee takes or purports to take at a time when it had not been authorised to do so shall, if subsequently ratified, be as valid as regards every Creditor Party as if the Security Trustee had been expressly authorised in advance.

3.6 Supply of copy documents

The Security Trustee shall promptly send to the Agent or, if the Security Trustee is the same legal entity as the Agent, to each Lender a copy of any document which the Security Trustee receives under or in connection with any Finance Document and which it considers of sufficient importance to be material to the Creditor Parties generally.

3.7 Application of receipts

Except as expressly stated to the contrary in any Finance Document, any moneys which the Security Trustee receives or recovers and which are Trust Property shall (without prejudice to the rights of the Security Trustee under any Finance Document to credit any moneys received or recovered by it to any suspense account) be transferred to the Agent for application in accordance with clause 17 of the Loan Agreement.

3.8 Deductions from receipts

Before transferring any moneys to the Agent under Clause 3.7, the Security Trustee may deduct any sum then due and payable under the Loan Agreement or any other Finance Document to the Security Trustee or any receiver, agent or other person appointed by it and retain that sum for itself or, as the case may require, pay it to the other person to whom it is then due and payable; for this purpose if the Security Trustee has become entitled to require a sum to be paid to it on demand, that sum shall be treated as due and payable, even if no demand has yet been served.

3.9 Agent and Security Trustee the same person

Where the same person is the Security Trustee and the Agent, it shall be sufficient compliance with Clause 3.7 for the moneys concerned to be credited to the account to which the Agent remits or credits the amounts which it receives from the Borrowers under the Loan Agreement for distribution to the Lenders.

3.10 Additional statutory rights

In addition to its rights under or by virtue of this Deed and the other Finance Documents, the Security Trustee shall have all of the rights conferred on a trustee by the Trustee Act 1925, the Trustee Delegation Act 1999 and by the Trustee Act 2000 and by general law or otherwise, provided that:

- (a) section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Trustee in relation to the trusts constituted by this Deed and the other Finance Documents; and
- (b) where there are any inconsistencies between (i) the Trustee Acts 1925 and 2000 and (ii) the provisions of this Deed and any other Finance Document, the provisions of this Deed and any other Finance Document shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, such provisions shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.

3.11 Release of Security Interests

At the end of the Security Period, the Security Trustee shall release, without any covenants for title or other recourse whatsoever, all the Security Interests created by the Finance Documents and re-assign to the relevant Borrower the relevant Security Party or any of them, as the case may be, any assets then comprised in those Security Interests, whereupon the Security Trustee shall be discharged from all liabilities and obligations which it has under this Deed and the other Finance Documents; in determining whether, for the purposes of this Clause 3, the Security Period has come to an end there shall be disregarded the liabilities of the Borrowers and the Security Parties in respect of the expenses of the Creditor Parties in connection with any such release or re-assignment.

3.12 Perpetuity period

The trusts hereby constituted are governed by English law and, if the rule against perpetuities applies to any of such trusts, the applicable perpetuity period is 125 years commencing on the date of this Deed.

4 LIMITATIONS ON THE RESPONSIBILITIES OF, AND INDEMNITIES FOR, THE AGENT AND THE SECURITY TRUSTEE

4.1 No obligations beyond those expressly specified

No Servicing Bank shall, in respect of any Relevant Matter, have, or be held to have assumed, any obligation to any Borrower, any Security Party, any Lender or the other Servicing Bank except:

- (a) an obligation of honesty; and

- (b) those specific obligations, if any, which are expressly imposed on that Servicing Bank in connection with that Relevant Matter by the Pertinent Document concerned.

4.2 Limits on liability

Neither Servicing Bank shall be liable in respect of any claim, expense, liability or loss made or brought against or incurred by any Borrower, any Security Party, any Lender or the other Servicing Bank in respect of any Relevant Matter and which results from any cause whatsoever (regardless of whether the cause occurred before the date of this Deed or occurs on or after that date) unless the claim, expense, liability or loss is shown to have been directly and mainly caused by that Servicing Bank's gross negligence or wilful misconduct; and no Borrower nor any Security Party nor any other Creditor Party shall bring in any country:

- (a) any claim or proceeding which is inconsistent with this Clause 4; or
- (b) any claim or proceeding against a current or former director, officer, employee or agent of a Servicing Bank in respect of any act or omission of any kind by that current or former director, officer, employee or agent in relation to any Pertinent Document and any current or former director, officer, employee or agent of a Servicing Bank may rely on this Clause.

and no Servicing Bank shall be liable for any expense, liability or loss arising as a result of any delay in crediting an account with an amount required under any Finance Document to be paid by a Servicing Bank unless such expense, liability or loss is shown to have been directly and mainly caused by that Servicing Bank's gross negligence or wilful misconduct.

4.3 No obligation to check or pass on information in certain areas

Without limiting the generality of Clause 4.1, or the responsibility of any Borrower for the trust and accuracy of the information supplied by it or on its behalf under or in connection with the Finance Documents, neither Servicing Bank shall have any obligation to check or, except as expressly required by a Finance Document, to provide or pass onto the other Creditor Parties or any of them any information about:

- (a) the financial position, status, nature or the affairs of any Borrower, any Security Party or any other person; or
- (b) the truth of any representation, warranty or statement made, or the adequacy, accuracy and/or completeness of any information provided (whether before the date of this Deed or otherwise), by any Borrower, any Security Party or any other person which relates or might be relevant to a Relevant Matter; or
- (c) the title, value or condition of, or any other matter relating to, any asset referred to in any Pertinent Document; or
- (d) whether any Event of Default or Potential Event of Default is imminent, has occurred or is continuing; or
- (e) any other Relevant Matter.

4.4 Method of soliciting agreement

Any determination of the Lenders shall be ascertained by the relevant Servicing Bank either:

- (a) by means of a fax sent by the relevant Servicing Bank to each of the Lenders in identical terms on the proposal or matter in issue; or
- (b) by means of the vote of authorised representatives of each Lender at a meeting convened by the relevant Servicing Bank and held for the purpose of discussing, inter alia, such proposal or matter in respect of which a determination is sought.

4.5 Notification of an Event of Default

If the occurrence of an Event of Default is brought to the attention of the officers or employees of a Servicing Bank who are directly involved in the performance of the Servicing Bank's functions under the Finance Documents, that Servicing Bank (in the case of the Security Trustee, through the Agent) shall, as soon as reasonably practicable, notify the other Creditor Parties that the Event of Default has occurred; but this obligation shall not arise if such information would not be of material importance (for example because the Event of Default is purely technical or the Lenders already know that it will occur).

4.6 No responsibility for legal or tax effectiveness or to disclose or explain risks

Without limiting the generality of Clause 4.1, nothing in this Deed or any other Pertinent Document shall oblige a Servicing Bank to carry out any "know your customer" or other checks in relation to any person on behalf of any other Creditor Party and each Lender confirms that it is solely responsible for such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by either Servicing Bank; furthermore, neither Servicing Bank shall have an obligation to any other Creditor Party or other person referred to in Clause 4.1 to ensure that:

- (a) any Pertinent Document or any right, obligation, liability or Security Interest created by a Pertinent Document is or remains valid, enforceable or effective or has or retains a particular priority or status;
- (b) any Pertinent Document or Relevant Matter satisfies any requirement, is covered by any exemption, or is treated in any particular way for any purpose connected with banking supervision, tax, subsidies or any other matter, or continues to do any of the foregoing;
- (c) any Pertinent Document or Relevant Matter is not affected by or does not create a particular risk of any kind or that any risk is insured or covered, reduced or hedged or otherwise dealt with; or
- (d) any risk is disclosed or explained (whether by the Servicing Bank or any other person) to the Creditor Parties or to such of them as is or are exposed; or
- (e) a Lender has recourse of the nature and extent of such recourse against any third party or any of its respective assets under or in connection with any Pertinent Document or Relevant Matter,

and "risk" includes an actual or potential adverse factor, whether having financial, legal or tax implications or implications of a different kind and, each Lender confirms to the Servicing Bank that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Pertinent Document or any Relevant Matter.

4.7 No liability for another party's breach

Without limiting the generality of Clause 4.1, neither Servicing Bank shall have a liability to any other Creditor Party in respect of any breach (including a misrepresentation) by any Borrower, any Security Party, any other Creditor Party or any other person of any obligation arising under a Pertinent Document or relating to a Relevant Matter.

4.8 Servicing Bank's right to decline to act

Each Servicing Bank shall be absolutely entitled to decline to:

- (a) commence, defend or continue as a party to any proceedings or to take or participate in any other action which it considers will or may expose it to any claim or loss unless it has first received security in such amount and on such terms as it may require; or
- (b) commence, defend or continue as a party to any proceedings or to take or participate in any action which the Servicing Bank considers is or may be contrary to any Pertinent Document or contrary to or inconsistent with any legal obligation, whether arising under a law or regulation, a contract or otherwise, or the policy of any public authority which regulates or supervises any activity of the Servicing Bank or any other Creditor Party,

and, without limiting its generality, paragraph (b) entitles a Servicing Bank to refuse to disclose any information if it considers that the disclosure would or might be contrary to any obligation of confidentiality affecting it or another person. This Clause 4.8 overrides any obligation which the Servicing Bank would otherwise have.

4.9 Advisers and delegation

Each Servicing Bank may, whenever it thinks fit:

- (a) in relation to any Relevant Matter, engage lawyers, accountants and other experts, and rely on their advice; and
- (b) perform all or any of its functions, including any pursuant to a trust, under or in connection with any Pertinent Document through any office or branch which it may from time to time select and notify to the other parties or through any kind of agent or sub-agent and, in particular, by power of attorney or otherwise delegate the exercise of any of its rights, authorities, powers and discretions, including any pursuant to a trust, under and in connection with the Pertinent Documents to any person or persons on such terms (as to duration, sub delegation, remuneration, exoneration and otherwise) and subject to such conditions and subject to such regulations as the Servicing Bank concerned may think fit,

and no Servicing Bank shall be bound to supervise the proceedings or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any delegate it may engage under this Clause 4.9 provided that such Servicing Bank shall have acted reasonably in making such delegation to such delegate and the Servicing Bank concerned shall promptly give notice to each Lender of any appointment of a delegate or sub-delegate under this Clause 4.9.

4.10 Full freedom to enter into transactions

Notwithstanding any rule of law or equity to the contrary, each Servicing Bank shall be absolutely entitled:

- (a) to enter into and arrange banking, derivative, investment and/or other transactions of every kind with or affecting any Borrower or a Security Party or any other person who is party to, or referred to in, a Pertinent Document (including, but not limited to, any interest or other transaction, whether related to this Deed or not, and acting as syndicate agent and/or security trustee for, and/or participating in, other facilities to that Borrower or that Security Party or any other person who is party to, or referred to in, a Pertinent Document);
- (b) to deal in and enter into and arrange transactions relating to:
 - (i) any securities issued or to be issued by any Borrower or a Security Party or any such other person; or
 - (ii) any options or other derivatives in connection with such securities; and
- (c) to provide advice or other services to that Borrower or that Security Party or any other person who is a party to, or referred to in, a Pertinent Document,

and, in particular, each Servicing Bank shall be absolutely entitled, in proposing, evaluating, negotiating, entering into and arranging all such transactions and in connection with all other matters covered by paragraphs (a) to (c), to use (subject only to insider dealing legislation) any information or opportunity, howsoever acquired by it, to pursue its own interests exclusively, to refrain from disclosing such dealings, transactions or other matters or any information acquired in connection with them and to retain for its sole benefit all profits and benefits derived from the dealings transactions or other matters.

4.11 Rights as Lender unaffected

In relation to its own participation in the Loan, if any, each Servicing Bank:

- (a) shall have the same rights and powers in respect of Relevant Matters as any Lender and may exercise those rights and powers as though it were not the Agent or (as the case may be) the Security Trustee; and
- (b) may vote and be counted towards the Majority Lenders, and may be included in any consent required of all the Lenders, even in relation to a matter which concerns it as Agent or as Security Trustee (other than a decision of the Lenders to commence proceedings against it in relation to a matter which arises out of this Deed or any of the other Finance Documents),

and, as regards such rights, powers and voting, each Servicing Bank shall be absolutely entitled to pursue its own interests exclusively.

4.12 Indemnification of Servicing Banks

The Lenders shall severally pro rata to their Contributions or, if the Loan has not been made, pro rata to their Commitments indemnify and hold harmless each Servicing Bank on demand against all claims, expenses, liabilities and losses made or brought against or incurred by that Servicing Bank in any country in relation to:

- (a) any action taken, or omitted or neglected to be taken, under or in connection with this Deed or any of the other Pertinent Documents by that Servicing Bank; and/or
- (b) any other Relevant Matter,

unless the claim, expense, liability or loss is shown to have been directly and mainly caused by the dishonesty or the wilful misconduct of that Servicing Bank's officers or employees.

4.13 Interest

Any amount which either Servicing Bank demands under Clause 4.12 shall carry interest after the date on which the demand is served until actual payment (as well after as before judgment) in accordance with clause 7 of the Loan Agreement.

4.14 Lender's liability

No Lender's liability under Clause 4.1 is conditional on the other Lenders (or any of them) being or remaining liable under that Clause.

4.15 Saving of general law rights; protection cumulative

Nothing in this Clause 4 excludes or restricts any right or defence to which a Servicing Bank or a representative of a Servicing Bank would be entitled apart from this Clause 4. The protective provisions of this Clause 4 are cumulative.

4.16 Extended meaning of certain terms

References in this Clause 4 to a Servicing Bank include:

- (a) references to it as it has been concerned before the date of this Deed or is, on or after that date, concerned, whether or not in its capacity as the Agent or the Security Trustee but not in its capacity as a Lender, with the syndication or arranging of the Loan or of any other transaction referred to in or connected with a Pertinent Document, with anything relating to an Event of Default (or Potential Event of Default) or with any other Relevant Matter; and
- (b) references to any company which is or has at any time been treated for any purpose as belonging to the same group as that Servicing Bank and which has been concerned before the date of this Deed or is, on or after that date, concerned (otherwise than in its capacity as a Lender) with any matter falling within paragraph (a),

and, as regards Relevant Matters arising before the signing of this Deed, references to the Lenders, the Borrowers and the Security Parties include references to them in their capacities as persons having to decide whether or not to enter into the transactions to which the Pertinent Documents relate either at all or on the proposed terms of the Pertinent Documents.

4.17 Retrospective effect

This Clause 4 shall be deemed to have come into force on the date falling 1 month before the earliest document to have been written or sent by either Servicing Bank with reference to or in contemplation of this Deed or a financing such as provided for by the Loan Agreement and shall be read, looking forward, as if contained in an agreement signed on that date.

5 APPOINTMENT OF A NEW SERVICING BANK

5.1 Transfer to associates

Each Servicing Bank may at any time transfer its functions to an associated company, that is, a direct or indirect parent company of that Servicing Bank or a wholly-owned direct or indirect subsidiary of that Servicing Bank or of its direct or indirect parent company.

5.2 Notification of transfer

A transfer to an associated company shall be effected by a notice to the Borrowers, the Security Parties, each of the Lenders, and the other Servicing Bank signed by both the retiring Servicing Bank and its successor.

5.3 Effective date of transfer

The associated company's appointment becomes effective on the date specified in the notice which shall be at least 7 days after the date on which it is served.

5.4 Resignation

A Servicing Bank which does not intend to transfer its functions to an associated company under Clauses 5.1 to 5.3 may at any time serve on the Lenders, with copies to the Borrowers, the Security Parties and the other Servicing Bank a notice of its intention to resign (a "**Resignation Notice**") and in that event the following applies:

- (a) a Resignation Notice is not irrevocable unless so expressed;
- (b) a Resignation Notice only becomes effective when the appointment of the successor Servicing Bank becomes effective;
- (c) if a Servicing Bank serves a Resignation Notice, the Majority Lenders have the right to nominate a reputable international bank or financial institution with an office in a major international financial centre as its successor;
- (d) notwithstanding paragraph (c), the resigning Servicing Bank may nominate such a bank or institution with an office in a major international financial centre as its successor if the appointment of a successor Servicing Bank nominated or agreed to by the Majority Lenders has not become effective within 1 month after the date on which the resigning Servicing Bank served its Resignation Notice; and
- (e) the successor Servicing Bank's appointment becomes effective on the date on which the retiring Servicing Bank receives a notice in writing, addressed to the Borrowers, the Security Parties, the Lenders and the other Servicing Bank signed by a senior officer of the successor Servicing Bank and unconditionally accepting the appointment or on any later date (falling not more than 30 days after the date of the notice) which the notice specifies as the date on which the appointment will become unconditionally effective.

5.5 Effect of appointment of successor

On a successor Servicing Bank's appointment becoming effective:

- (a) it becomes bound to perform the obligations of the Agent or, as the case may be, the Security Trustee under the Finance Documents and entitled to all the powers and protections which the Finance Documents or the Majority Lenders confer on the Agent or, as the case may be, the Security Trustee; and
- (b) except as stated in Clause 5.6 and 5.8 and except for a continuing duty of confidentiality, the resigning Servicing Bank is discharged from all its obligations under or in connection with the Finance Documents.

5.6 Transfer of records etc.

After a successor Servicing Bank's appointment becomes effective:

- (a) the resigning Servicing Bank and (if necessary or desirable) the other Servicing Bank shall provide the successor Servicing Bank with any records (or print outs of any records held in computers), papers, computer programs or other material in its possession which relate solely to its functions as Agent or Security Trustee as the case may be; and
- (b) the retiring Servicing Bank shall pay its successor a pro rata proportion of any agency fee which it may have received for any part of the period falling after the date when the successor's appointment becomes effective.

5.7 Continued protection for resigning Servicing Bank

This Clause 5 and the other provisions of the Finance Documents shall remain in effect for the benefit and protection of a Servicing Bank which has resigned and its officers, employees and agents in relation to any claim or loss which may be brought against or incurred by it or them in connection with or as a result of any act, omission, breach, neglect or other occurrence or matter relating to or arising out of any Finance Document which took place before its resignation.

5.8 Costs of transfer

The resigning Servicing Bank shall bear its own costs, and the other parties' proper and reasonable costs, incurred in negotiating and documenting the appointment of its successor and the transfer to its successor of the Security Interests held by it under the Finance Documents.

6 SHARING

6.1 General

This Clause 6 applies if a Lender (the "**Sharing Bank**") receives or recovers any sum in respect of an amount due to it from the Borrowers (or any of them) under any Finance Document otherwise than by distribution from the Agent in accordance with the terms of the Loan Agreement and this Deed.

6.2 Sharing of recoveries

Subject to Clauses 6.3 and 6.4:

- (a) the Sharing Bank shall forthwith pay to the Agent an amount equal to the full sum so received or recovered;

- (b) as between the Borrowers and the Sharing Bank, the Borrowers shall remain indebted to the Sharing Bank under the Finance Documents in the amount paid by the Sharing Bank to the Agent as if the Sharing Bank had not received or recovered the sum mentioned above; and
- (c) the Agent shall treat the amount so paid to it by the Sharing Bank as if it were a payment by the Borrowers on account of amounts due from the Borrowers under the Finance Documents for distribution to the Sharing Bank and each of the other Lenders in the proportions in which the Sharing Bank and/or the other Lenders would have been entitled to receive the amount had it been paid by the Borrowers to the Agent in accordance with the Loan Agreement and this Deed.

6.3 Conditional reimbursement

Any payment made by the Sharing Bank or the Agent under Clause 6.2 shall (whether or not stated to be so subject) be subject to the condition that, if all or any part of the amount paid by the Sharing Bank to the Agent later has to be repaid by the Sharing Bank to any Borrower or any other person, whether under any insolvency law or otherwise and each of the Lenders (other than the Sharing Bank) to which the Agent distributed any part of the Sharing Bank's payment shall repay to the Agent for remittance to the Sharing Bank the amount which the Agent distributed to that Lender, together with such amount (if any) as is necessary to reimburse the Sharing Bank the appropriate portion of any interest it was obliged to pay on the sum it repaid to the relevant Borrower or other person concerned.

6.4 Exception to sharing

A Sharing Bank which has commenced or joined in any proceedings to recover sums due to it under any Finance Document and which receives or recovers an amount under a judgment in the proceedings or a settlement of them shall not have to share that amount with a Lender which has the legal right to, but does not, join in the proceedings or commence and diligently prosecute separate proceedings to recover the amounts due to it under the Finance Documents.

6.5 Notices of proceedings; receipt or recovery of amounts due

Without limiting the generality of Clause 2.12, a Lender shall promptly, and in any event within 5 Business Days, notify the Agent of:

- (a) the commencement by that Lender, as the case may be, of any proceedings which relate (wholly or in part) to any Finance Document or to any asset covered by a Security Interest created by a Finance Document;
- (b) any judgment in, or settlement of, those proceedings;
- (c) any other details about those proceedings which the Agent may request; and
- (d) the receipt or recovery by that Lender, as the case may be, of any sum in respect of an amount due to it by the Borrowers under any Finance Document otherwise than through a distribution by the Agent

and the Agent will promptly pass on that information to the other Lenders and the Security Trustee.

6.6 Set-off deemed to be recovery

For the purposes of this Clause 6, if a Lender:

- (a) extinguishes a liability which it has to a Borrower in a certain sum; or
- (b) reduces such a liability by a certain sum,

by exercising its rights under clause 22.1 of the Loan Agreement (or any such other right or remedy as is referred to in clause 22.2 of the Loan Agreement) having similar effect in respect of an amount due to that Lender by a Borrower under a Finance Document, that Lender shall be deemed to have received that sum in respect of the amount due to it from the Borrower concerned.

6.7 Asset transfer deemed to be recovery

If, in consideration of the transfer (by a Borrower or any other person) of an asset to a Lender or a person designated by a Lender, as the case may be:

- (a) that Lender, as the case may be, releases that Borrower from any of its liabilities to it under a Finance Document; or
- (b) that Lender, as the case may be, undertakes (with that Borrower or another person) not to sue that Borrower in respect of such a liability,

that Lender, as the case may be, shall be deemed to have received, in respect of an amount due to it from that Borrower under the Loan Agreement, a sum equal to the value of the asset concerned.

6.8 Valuation of assets

For the purpose of Clause 6.7 the value of an asset is its open market net realisable value as determined by the Agent, and specified in a notice served by it on the Lender concerned, after consultation by the Agent with the other Lenders and such experts, if any, as the Lender concerned may consider appropriate; and the Agent's determination shall be conclusive.

6.9 Recovery from Security Party

This Clause 6 also applies to sums received or recovered from a Security Party or which would be deemed to be so received if the references in Clauses 6.5 and 6.6 to the Borrowers were references to a Security Party.

7 SUPPLEMENTAL

7.1 Third party rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

8 LAW AND JURISDICTION

8.1 English law

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

8.2 Exclusive English jurisdiction

Subject to Clause 8.3, the courts of England shall have exclusive jurisdiction to settle any Dispute.

8.3 Choice of forum for the exclusive benefit of the Servicing Banks

Clause 8.2 is for the exclusive benefit of the Servicing Banks, each of which reserves the rights:

- (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; or
- (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.

Neither any Borrower nor any Lender shall commence any proceedings in any country other than England in relation to a Dispute.

8.4 Servicing Banks' rights unaffected

Nothing in this Clause 8 shall exclude or limit any right which either Servicing Bank 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.

8.5 Meaning of "proceedings"

In this Clause 8, "**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 Deed (including a dispute relating to the existence, validity or termination of this Deed) or any non-contractual obligation arising out of or in connection with this Deed.

This Deed has been executed by or on behalf of the parties and has, on the date stated at the beginning of this Deed, been delivered as a Deed.

SCHEDULE 1

LIST OF LENDERS

Hamburg Commercial Bank AG

**Gerhart-Hauptmann-Platz 50
D-20095 Hamburg
Germany**

EXECUTION PAGES

BORROWERS

EXECUTED as a DEED by)
THAMES TRADER SHIPPING LIMITED)
acting by)
as attorney-in-fact)
such execution being witnessed by:)

Signature of witness:

EXECUTED as a DEED by)
DART TRADER SHIPPING LIMITED)
acting by)
as attorney-in-fact)
such execution being witnessed by:)

Signature of witness:

EXECUTED as a DEED by)
AVON TRADER SHIPPING LIMITED)
acting by)
as attorney-in-fact)
such execution being witnessed by:)

Signature of witness:

LENDERS

EXECUTED as a DEED by)
HAMBURG COMMERCIAL BANK AG)
acting by)
expressly authorised in accordance)
with the laws of Germany)
by virtue of a power of attorney)
granted on)
such execution being witnessed by:)

Signature of witness:

MANDATED LEAD ARRANGER

EXECUTED as a DEED by)
HAMBURG COMMERCIAL BANK AG)
acting by)
expressly authorised in accordance)
with the laws of Germany)
by virtue of a power of attorney)
granted on)
such execution being witnessed by:)

Signature of witness:

AGENT

EXECUTED as a DEED by)
HAMBURG COMMERCIAL BANK AG)
acting by)
expressly authorised in accordance)
with the laws of Germany)
by virtue of a power of attorney)
granted on)
such execution being witnessed by:)

Signature of witness:

SECURITY TRUSTEE

EXECUTED as a DEED by)
HAMBURG COMMERCIAL BANK AG)
acting by)
expressly authorised in accordance)
with the laws of Germany)
by virtue of a power of attorney)
granted on)
such execution being witnessed by:)

Signature of witness: